



**NOTICE OF SPECIAL MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR  
  
FOR THE  
SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD AT 10:00 a.m. (Vancouver time)  
ON OCTOBER 14, 2015  
AT THE ADDRESS OF  
BLAKE, CASSELS & GRAYDON LLP  
SUITE 2600, THREE BENTALL CENTRE  
595 BURNARD STREET, VANCOUVER, BC V7X 1L3**

*These materials are important and require your immediate attention. They require you to make important decisions. If you are in doubt as to how to make such decisions, please contact your professional advisors. If you have questions, you may contact the proxy solicitation agent, Kingsdale Shareholder Services, by: (i) telephone, toll-free in North America at 1-877-659-1824 or at 416-867-2272 outside of North America; (ii) facsimile to 416-867-2271 or, toll-free in North America, to 1-866-545-5580; (iii) mail to The Exchange Tower, 130 King Street West, Suite 2950, P.O. Box 361, Toronto, ON M5X 1E2; or (iv) e-mail to [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).*

## FISSION URANIUM CORP.

September 15, 2015

Dear Shareholders of Fission Uranium Corp.:

You are invited to attend a special meeting (the “**Meeting**”) of the shareholders (the “**Fission Shareholders**”) of Fission Uranium Corp. (“**Fission**”) to be held at the offices of Blake, Cassels & Graydon LLP, Suite 2600, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3, on October 14, 2015 commencing at 10:00 a.m. (Vancouver time).

At the Meeting you will be asked to consider and vote upon a proposed arrangement (the “**Arrangement**”) upon completion of which holders of Fission common shares (“**Fission Shares**”) will receive, for each Fission Share held, 1.26 common shares (each whole common share, a “**Denison Share**”) in the capital of Denison Mines Corp. (“**Denison**”) subject to adjustment (the “**Exchange Ratio**”), and a nominal cash payment of \$0.0001 (collectively, the “**Consideration**”). In no event shall the number of Consideration Shares (as defined in the Management Information Circular) issued be greater than the Consideration Share Maximum (as defined in the Management Information Circular), and if the completion of the Arrangement would require the issue of that greater number of Denison Shares, the Exchange Ratio shall be adjusted so that the total number of Consideration Shares issued does not exceed the Consideration Share Maximum.

Each Fission option (a “**Fission Option**”) outstanding immediately prior to the effective time of the Arrangement (the “**Effective Time**”) will be exchanged for an option (each, a “**Denison Replacement Option**”) to purchase from Denison the number of Denison Shares equal to the product of the number of Fission Shares subject to the Fission Option immediately before the Effective Time, and the Exchange Ratio. Each Fission warrant (a “**Fission Warrant**”) shall be adjusted in accordance with the adjustment provisions in the relevant warrant certificate or warrant indenture such that following the completion of the Arrangement, each holder of Fission Warrants shall receive, upon exercise thereof, that number of Denison Shares determined in accordance with the Exchange Ratio and the anti-dilution provisions of such Fission Warrants, in lieu of each Fission Share to which it was otherwise entitled to receive upon exercise.

In order to become effective, the Arrangement must be approved by a special resolution passed by at least a two-thirds majority of the votes cast by Fission Shareholders at the Meeting present in person or by proxy and approved by a simple majority of the votes cast at the Meeting in person or by proxy of the holders of Fission Shares, excluding the votes cast in respect of Fission Shares held by Mr. Randhawa and Mr. McElroy and any related parties (as defined by MI 61-101) or joint actors (as defined by MI 61-101), and such other holders of Fission Shares excluded by MI 61-101. Completion of the Arrangement is also subject to receipt of certain required regulatory approvals, including the approval of the Toronto Stock Exchange (the “**TSX**”) and the Supreme Court of British Columbia (the “**Court**”), and other customary closing conditions, all of which are described in more detail in the attached Management Information Circular.

All of the directors and officers of Fission have entered into agreements with Denison to vote in favour of the Arrangement, provided that the arrangement agreement dated as of July 27, 2015 among Fission, Denison and 9373721 Canada Inc. (the “**Arrangement Agreement**”) has not been terminated by either Denison or Fission in accordance with its terms.

The holders of Denison Shares (the “**Denison Shareholders**”) will be asked to approve the issuance of Consideration Shares at a special meeting of Denison Shareholders scheduled for

October 14, 2015 (the “**Denison Meeting**”). The issuance of the Consideration Shares will require approval from a majority of the votes cast by Denison Shareholders at the Denison Meeting. Upon completion of the Arrangement, Denison intends to change its name to “Denison Energy Corp.”, or such other name as determined by the board of directors of Denison (the “**Denison Board**”), and alter its authorized share capital by consolidating all of Denison’s issued and outstanding common shares on a 2-for-1 basis. Any fractional common share arising on the consolidation will be deemed tendered for cancellation without any payment or compensation in lieu thereof. The share consolidation and the name change will require approval from two thirds of the votes cast by the Denison Shareholders at the Denison Meeting. The Denison Shareholders will also be asked to approve the issuance of Denison Shares to certain directors and officers of Fission and Denison pursuant to such directors’ and officers’ right to receive retention bonus payments in accordance with the terms of the Arrangement Agreement.

After taking into consideration, among other things, the recommendation of the special committee of the board of directors of Fission and the opinion of Dundee Securities Ltd. as to the fairness, from a financial point of view, to Fission Shareholders, of the consideration to be received by Fission Shareholders pursuant to the Arrangement, delivered on July 6, 2015, the text of which is attached as Appendix “C” to the Management Information Circular, the board of directors of Fission (the “**Fission Board**”) has concluded that the Arrangement is fair to the Fission Shareholders and the Arrangement is in the best interests of Fission and has approved the Arrangement and authorized its submission to the Fission Shareholders and the Court for approval. **Accordingly, the Fission Board recommends that the Fission Shareholders vote FOR the Arrangement.**

#### Voting

If you are not registered as the holder of your Fission Shares but hold your shares through a broker or other intermediary, you should follow the instructions provided by your broker or other intermediary to vote your Fission Shares. See the section in the accompanying Management Information Circular entitled “*General Proxy Information — Non-Registered Holders*” for further information on how to vote your Fission Shares.

If you are a Registered Fission Shareholder, please vote by completing the enclosed form of proxy. You should specify your choice by marking the box on the enclosed form of proxy and by dating, signing and returning your proxy in the enclosed return envelope addressed to Computershare Trust Company of Canada, at its offices at 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by toll free North American fax number 1-866-249-7775, or by international fax number 1-416-263-9524, as soon as possible but at least forty-eight hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting. Voting by proxy will not prevent you from voting in person if you attend the Meeting and revoke your proxy, but will ensure that your vote will be counted if you are unable to attend. The time limit for deposit of proxies may be waived or extended by the Chairman of the Meeting at his discretion, without notice.

Your vote is important regardless of the number of Fission Shares you own.

#### Letter of Transmittal

If you hold your Fission Shares through a broker or other person, please contact that broker or other person for instructions and assistance in receiving the Consideration in respect of your Fission Shares upon completion of the Arrangement if it is approved.

If you are a Registered Fission Shareholder, please complete and return the enclosed Letter of Transmittal together with the certificate(s) representing your Fission Shares and any other required documents and instruments, to the depository, Computershare Investor Services Inc., in the enclosed return envelope in accordance with the instructions set out in the Letter of Transmittal so that if the Arrangement is approved the Consideration for your Fission Shares can be sent to you as soon as possible following the Arrangement becoming effective. The Letter of Transmittal contains other procedural information related to the Arrangement and should be reviewed carefully.

The attached Notice of Special Meeting and Management Information Circular contain a detailed description of the Arrangement and include certain other information to assist you in considering the matters to be voted upon. You are urged to carefully consider all of the information in the accompanying Management Information Circular including the documents incorporated by reference therein. If you require assistance, you should consult your financial, legal, or other professional advisors.

\* \* \* \* \*

While certain matters, such as the timing of the receipt of Court approval, are beyond the control of Fission, if the resolution approving the Arrangement is passed by the requisite two-thirds majority of the votes cast by Fission Shareholders at the Meeting and the approval of a simple majority of the votes cast at the Meeting of the holders of Fission Shares, excluding the votes cast in respect of Fission Shares held by Mr. Randhawa and Mr. McElroy and any related parties (as defined by MI 61-101) or joint actors (as defined by MI 61-101), and such other holders of Fission Shares excluded by MI 61-101, and the Denison Shareholders approve the issuance of the Consideration Shares at the Denison Meeting, it is anticipated that the Arrangement will be completed and become effective on or about October 19, 2015.

If you have any questions or need assistance in your consideration of the Arrangement, or with the completion and delivery of your proxy, please contact Kingsdale Shareholder Services, the proxy solicitation agent, by telephone at: 1-877-659-1824 (North American Toll Free) or 416-867-2272 (Collect Outside North America); or by email at: [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

On behalf of Fission, our management team and the Board, I would like to thank all Shareholders for their continuing support.

Sincerely,

*"Ross McElroy"*

President, COO & Director

## FREQUENTLY ASKED QUESTIONS ABOUT THE ARRANGEMENT AND THE MEETING

*Following are some questions that you, as a Fission Shareholder, may have relating to the Meeting and answers to those questions. These questions and answers do not provide all of the information relating to the Meeting or the matters to be considered at the Meeting and are qualified in their entirety by the more detailed information contained elsewhere in this Circular. You are urged to read this Circular in its entirety before making a decision related to your Fission Shares. All capitalized terms used herein have the meanings ascribed to them in the "Glossary of Terms" of the Circular.*

**Q: What am I voting on?**

A: You are being asked to consider and, if deemed advisable, to vote FOR the resolution approving the Arrangement between Fission and Denison (the "**Arrangement Resolution**"), which provides for, among other things, Denison acquiring all of the issued and outstanding Fission Shares. Pursuant to the Arrangement, Fission Shareholders will be entitled to receive 1.26 Denison Shares on a pre-consolidation basis (or approximately 0.63 Denison Shares on a post-consolidation basis), subject to adjustment of the Exchange Ratio, and a nominal cash payment of \$0.0001 in exchange for each Fission Share held. You also are being asked to approve the transaction of any other business that may properly come before the Meeting or any adjournments or postponements of the Meeting.

**Q: When and where is the Meeting?**

A: The Meeting will take place on October 14, 2015 at 10:00 a.m. (Vancouver time), at the offices of Blake, Cassels & Graydon LLP, Suite 2600 - 595 Burrard Street, Vancouver, British Columbia, V7X 1L3.

**Q: Who is soliciting my proxy?**

A: Your proxy is being solicited by management of Fission. This Circular is furnished in connection with that solicitation. The solicitation of proxies for the Meeting will be made primarily by mail, and may be supplemented by telephone.

If you have questions or need assistance completing your form of proxy or voting instruction form, please contact Kingsdale Shareholder Services who has been retained as proxy solicitation agent by Fission. Kingsdale can be contacted toll-free in North America at 1-877-659-1824 or call collect outside North America at 416-867-2272 or by email at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

**Q: Who can attend and vote at the Meeting and what is the quorum for the Meeting?**

A: Only Fission Shareholders of record as of the close of business on September 4, 2015, the record date for the Meeting, are entitled to receive notice of and to attend, and vote at, the Meeting or any adjournment(s) or postponement(s) of the Meeting.

The quorum for the transaction of business at the Meeting will be two persons present in person, each being a Fission Shareholder entitled to vote at the Meeting or a duly appointed proxyholder or representative for a Fission Shareholder so entitled.

**Q: How many Fission Shares are entitled to vote?**

A: As of September 4, 2015, there were 386,238,121 Fission Shares outstanding and entitled to vote at the Meeting. You are entitled to one vote for each Fission Share that you own.

**Q: What will I receive in the Arrangement?**

A: If the Arrangement is completed, Fission Shareholders are entitled to receive 1.26 Denison Shares on a pre-consolidation basis (or approximately 0.63 Denison Shares on a post-consolidation basis), subject to adjustment of the Exchange Ratio, and a nominal cash payment of \$0.0001 for every one outstanding Fission Share held.

**Q: What vote is required at the Meeting to approve the Arrangement Resolution?**

A: The Arrangement Resolution must be passed by the affirmative vote of at least two-thirds of the votes cast at the Meeting by Fission Shareholders present in person or represented by proxy and entitled to vote at the Meeting and the approval of a simple majority of the votes cast at the Meeting in person or by proxy of the holders of Fission Shares, excluding the votes cast in respect of Fission Shares held by Mr. Randhawa and Mr. McElroy and any related parties (as defined by MI 61-101) or joint actors (as defined by MI 61-101), and such other holders of Fission Shares excluded by MI 61-101.

**Q: What if I return my proxy but do not mark it to show how I wish to vote?**

A: If your proxy is signed and dated and returned without specifying your choice or is returned specifying both choices, your Fission Shares will be voted FOR the Arrangement Resolution in accordance with the recommendation of the Fission Board.

**Q: When is the cut-off time for delivery of proxies?**

A: Proxies must be delivered to Computershare Trust Company of Canada, by mail to 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1 or by fax to 1-866-249-7775 (North America toll free) or 1-416-263-0524 (international), not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. In this case, assuming no adjournment, the proxy-cut off time is 10:00 a.m. (Vancouver time) October 9, 2015. The time limit for deposit of proxies may be waived or extended by the Chairman of the Meeting at his discretion, without notice.

**Q: Can I change my vote after I submitted a signed proxy?**

A: Yes. If you want to revoke your proxy after you have delivered it, you can do so at any time before the proxy-cut off time. You may do this by (a) attending the Meeting and voting in person if you were a Registered Fission Shareholder at the Record Date; (b) signing a proxy bearing a later date; (c) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to the Registered Office of Fission at 700 – 1620 Dickson Avenue, Kelowna, BC, V1Y 9Y2, or (d) in any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 4:00 p.m. (Vancouver time) on the last Business Day before the day of the Meeting, or delivered to the person presiding at the Meeting before it commences. If you revoke your proxy and do not



replace it with another that is deposited with us before the deadline, you can still vote your shares, but to do so you must attend the Meeting in person.

**Q: What are the recommendations of the directors?**

A: After taking into consideration, among other things, the Court approval and the Fairness Opinion, the directors have concluded that the Arrangement is in the best interests of Fission and fair to the Fission Shareholders and recommend that Fission Shareholders vote FOR the Arrangement Resolution to approve the Arrangement.

**Q: Why are the directors making this recommendation?**

A: In reaching their conclusion that the Arrangement is fair to Fission Shareholders and that the Arrangement is in the best interests of Fission, the directors considered and relied upon a number of factors, including those described under the headings “*The Meeting – The Arrangement — Reasons for the Arrangement*” and “*The Meeting – The Arrangement — Fairness Opinion*” in this Circular.

**Q: In addition to the approval of Fission Shareholders, are there any other approvals required for the Arrangement?**

A: Yes, the Arrangement requires the approval of Denison Shareholders, the Court and also is subject to the receipt of certain regulatory approvals. See “*The Meeting – The Arrangement — Court Approval of the Arrangement*” and “*The Meeting – The Arrangement – Regulatory Approvals*” in this Circular.

**Q. Does Denison require shareholder approval to complete the Arrangement?**

A. Since the Arrangement will result in the issuance of greater than 25% of the currently outstanding Denison Shares, the TSX requires Denison to obtain shareholder approval for the issuance of the Consideration Shares. In order to complete the Arrangement, Denison Shareholders will need to approve an ordinary resolution authorizing and approving Denison to issue such number of Denison Shares as is necessary to allow Denison to acquire 100% of Fission on the basis of 1.26 Denison Shares on a pre-consolidation basis (approximately 0.63 Denison Shares on a post-consolidation basis) for each Fission Share (subject to the Consideration Share Maximum) (the “**Denison Share Issuance Resolution**”).

**Q. Will Denison Shareholders be asked to approve any other resolutions at the Denison Meeting?**

A. Yes, in addition to the Denison Share Issuance Resolution, Denison Shareholders will be asked to approve the following (none of which are a condition precedent to complete the Arrangement):

- i) A special resolution authorizing and approving an amendment to Denison’s articles of amalgamation (the “**Denison Articles**”) to effect a consolidation of the issued and outstanding Denison Shares on a 2-for-1 basis;
- ii) A special resolution authorizing and approving an amendment to the Denison Articles to effect the name change of Denison to “Denison Energy Corp.” or such other name as is determined by the Denison Board in its sole discretion, subject to regulatory approval; and

- iii) An ordinary resolution authorizing and approving Denison to issue the Retention Bonus Shares issuable in satisfaction of the Retention Bonus Payments, other than in respect of the \$1,000,000 payable to Fission employees.

**Q: Do any directors or executive officers of Fission have any interests in the Arrangement that are different from, or in addition to, those of the Fission Shareholders?**

A: In considering the recommendation of the Fission Board to vote in favour of the matters discussed in this Circular, Fission Shareholders should be aware that some of the directors and executive officers of Fission have interests in the Arrangement that are different from, or in addition to, the interests of Fission Securityholders generally. See *“The Meeting – The Arrangement – Interests of Certain Persons in the Arrangement”* in this Circular.

**Q: Will the Fission Shares continue to be listed on the TSX after the Arrangement?**

A: No. Fission will be de-listed from the TSX when the Arrangement is completed and Fission will become a wholly-owned subsidiary of Denison. When the Arrangement is completed, former Fission Shareholders will hold Denison Shares, which are listed on the TSX and NYSE MKT. Denison intends to seek shareholder approval at the Denison Meeting for a 2-for-1 common share consolidation and name change to “Denison Energy Corp.”, to be effected shortly after completion of the Arrangement.

**Q: Should I send my Fission Share certificates now?**

A: You are not required to send your certificates representing Fission Shares to validly cast your vote in respect of the Arrangement Resolution. We encourage Registered Fission Shareholders to complete, sign, date and return the enclosed Letter of Transmittal, together with their Fission Share certificate(s), at least two Business Days prior to the Effective Date which will assist in arranging for the prompt exchange of their Fission Shares if the Arrangement is completed.

**Q: When can I expect to receive consideration for my Fission Shares?**

A: Assuming completion of the Arrangement, if you hold your Fission Shares through an intermediary, then you are not required to take any action and the Denison Shares and cash consideration will be delivered to your intermediary through the procedures in place for such purposes between CDS & Co. or similar entities and such intermediaries. If you hold your Fission Shares through an intermediary, you should contact your intermediary if you have questions regarding this process.

In the case of Registered Fission Shareholders, as soon as practicable after the Effective Date, assuming due delivery of the required documentation, including the applicable Fission Share certificates and a duly and properly completed Letter of Transmittal, Denison will cause the Depositary to forward certificates representing the Denison Shares and a cheque in payment of the cash consideration to which the Registered Fission Shareholder is entitled by first class mail to the address of the Fission Shareholder as shown on the register maintained by Computershare Trust Company of Canada, unless the Fission Shareholder indicates in the Letter of Transmittal an alternate address or that it wishes to pick up the certificate representing the Denison Shares and the cheque in payment of the cash consideration.



Fission Shareholders who do not deliver their Fission Share certificates and all other required documents to the Depositary on or before the date which is six years after the Effective Date will lose their right to receive Denison Shares and cash consideration for their Fission Shares.

See “*The Meeting – The Arrangement – Procedure for Exchange of Fission Shares*” in this Circular.

**Q: How will the votes be counted?**

A: Computershare Trust Company of Canada, Fission’s transfer agent, counts and tabulates the proxies. Proxies are counted and tabulated by the transfer agent in such a manner as to preserve the confidentiality of the voting instructions of Registered Fission Shareholders, subject to a limited number of exceptions.

**Q: How will I know when the Arrangement will be implemented?**

A: The Effective Date will occur upon satisfaction or waiver of all of the conditions to the completion of the Arrangement. If the requisite level of approval is obtained at the Meeting, the Effective Date is expected to occur on or about October 19, 2015. On the Effective Date, Fission and Denison will publicly announce that the conditions are satisfied or waived and that the Arrangement has been implemented.

**Q: Are there risks I should consider in deciding whether to vote for the Arrangement Resolution?**

A: Yes. Fission Shareholders should carefully consider the risk factors relating to the Arrangement. Some of these risks 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 Fission; (ii) there can be no certainty that all conditions precedent to the Arrangement will be satisfied; (iii) the issue of Denison Shares under the Arrangement and their subsequent sale may cause the market price of Denison Shares to decline from current or anticipated levels; (iv) Fission and Denison may not realize the benefits currently anticipated due to challenges associated with integrating the operations, technologies and personnel of Fission and Denison; (v) Fission will incur costs even if the Arrangement is not completed, and also may be required to pay the Termination Payment to Denison; (vi) the Termination Payment provided under the Arrangement Agreement may discourage other parties from attempting to acquire Fission; (vii) Fission Shareholders will receive a fixed number of Denison Shares based on a fixed exchange ratio that was determined more than three months before the date of the Meeting and due to share price movement since then, the price of Denison Shares relative to Fission Shares may have changed from the time when the Exchange Ratio was agreed; (viii) the market price for Fission Shares may decline; (ix) directors and officers of Fission have interests in the Arrangement that may be different from those of Fission Shareholders generally; (x) Denison may be unable to pay the Retention Bonus Payments to certain management personnel and there is a risk of loss of such management personnel; (xi) foreign investment risks to Denison that are different than those to which Fission is subject; (xii) the Arrangement may be treated as a taxable transaction for U.S. federal income tax purposes; and (xiii) the PFIC rules may cause the Arrangement to be treated as a taxable transaction for U.S. federal income tax purposes to certain U.S. Holders.

See “*The Meeting – The Arrangement – Risks Associated with the Arrangement*” in this Circular.

**Q: What are the Canadian income tax consequences of the Arrangement?**

A: For a summary of certain material Canadian income tax consequences of the Arrangement, see “*Certain Canadian Federal Income Tax Considerations*”. Such summary is not intended to be legal or tax advice to any particular Fission Shareholders. Fission Shareholders should consult their own tax and investment advisors with respect to their particular circumstances.

**Q: What are the U.S. Federal income tax consequences of the Arrangement?**

A: For a summary of certain material U.S. federal income tax consequences of the Arrangement, see “*Certain United States Federal Income Tax Considerations*”. The summary contained herein is not intended to be legal or tax advice to any particular Fission Securityholders that are U.S. Holders. U.S. Holders are urged to consult their own tax advisors with respect to their particular circumstances.

**Q: Am I entitled to Dissent Rights?**

A: The Interim Order provides the Registered Fission Shareholders with Dissent Rights in connection with the Arrangement that will be available if the Arrangement Resolution is approved by the Fission Shareholders. **Registered Fission Shareholders considering exercising Dissent Rights should seek the advice of their own legal counsel and tax and investment advisors and should carefully review the description of such rights set forth in this Circular and the Interim Order, and comply with the provisions of the Dissent Rights the full text of which is set out on Appendix “D” to this Circular. See “*The Meeting – The Arrangement – Dissent Rights*” in this Circular.**

**Q: What will happen to the Fission Shares that I currently own after completion of the Arrangement?**

A: Upon completion of the Arrangement, certificates representing Fission Shares will represent only the right of the Registered Fission Shareholder to receive consideration of 1.26 Denison Shares (subject to adjustment of the Exchange Ratio) and a nominal cash payment of \$0.0001 for each Fission Share held. Trading in Fission Shares on the TSX and such other exchanges in which Fission Shares are listed for trading will cease and Fission will terminate its status as a reporting issuer under Canadian Securities Laws and will cease to be required to file reports with the applicable Canadian Securities Administrators. Denison will continue to be listed on the TSX and NYSE MKT. Assuming Denison obtains the requisite shareholder approval at the Denison Meeting, immediately following the closing of the Arrangement, Denison intends to consolidate all of its issued and outstanding common shares on a 2-for-1 basis and change its name to “Denison Energy Corp.”.

## NOTICE OF SPECIAL MEETING

NOTICE IS HEREBY GIVEN that a special meeting (the “**Meeting**”) of the holders of common shares (“**Fission Shareholders**”) of Fission Uranium Corp. (“**Fission**”) will be held at the offices of Blake, Cassels & Graydon LLP, Suite 2600, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3, on October 14, 2015 at 10:00 a.m. (Vancouver time) for the following purposes:

- (a) to consider pursuant to an interim order of the Supreme Court of British Columbia dated September 14, 2015 (the “**Interim Order**”) and, if thought advisable, to pass, with or without amendment, a special resolution (the “**Arrangement Resolution**”) approving an arrangement (the “**Arrangement**”) under section 192 of the *Canada Business Corporations Act*, the full text of which resolution is set forth in Appendix “A” to the accompanying Management Information Circular (the “**Circular**”); and
- (b) to transact such further or other business as may properly come before the Meeting or any adjournments thereof.

The Circular provides additional information relating to the matters to be addressed at the Meeting, including the Arrangement, and is deemed to form part of this Notice.

Registered Fission Shareholders are entitled to vote at the Meeting either in person or by proxy. Registered Fission Shareholders who are unable to attend the Meeting in person are encouraged to read, complete, sign, date and return the enclosed form of proxy in accordance with the instructions set out in the proxy and in the Circular. In order to be valid for use at the Meeting, proxies must be received by Computershare Trust Company of Canada, at its office at 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by fax number 1-866-249-7775, or by international fax number 1-416-263-9524 at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting. Please advise Fission of any change in your mailing address. The time limit for deposit of proxies may be waived or extended by the Chairman of the Meeting at his discretion, without notice.

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 Fission Shares.

Take notice that, pursuant to the Interim Order, each Registered Fission Shareholder, has been granted the right to dissent in respect of the Arrangement Resolution and, if the Arrangement becomes effective, to be paid the fair value of the Fission Shares in respect of which such Registered Fission Shareholder dissents by Denison Mines Corp., in accordance with the dissent procedures contained in the Interim Order. To exercise such right, (a) a written notice of dissent with respect to the Arrangement Resolution from the Registered Fission Shareholder must be received by Fission at its address for such purpose, Blake, Cassels & Graydon LLP, 2600 – 595 Burrard Street, Vancouver, British Columbia, V7X 1L3, Attention: Sean Boyle, by not later than 4:00 p.m. (Vancouver time) on October 9, 2015, or two Business days prior to any adjournment of the Meeting, and (b) the Registered Fission Shareholder must have otherwise complied with the dissent procedures in the Interim Order. The right to dissent is described in the Circular and the text of the Interim Order is set forth in Appendix “D” to the Circular.

Failure to strictly comply with the requirements set forth in the Interim Order may result in the loss of any right of dissent.

DATED at Vancouver, British Columbia this 15<sup>th</sup> day of September, 2015.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
FISSION URANIUM CORP.**

*“Ross McElroy”*

President, COO & Director

If you have any questions or need assistance completing your proxy or voting instruction form, please call Kingsdale Shareholder Services at 1-877-659-1824 toll-free in North America, collect at 416-867-2272 outside of North America or email [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

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## **INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR**

The information contained in this Circular, unless otherwise indicated, is given as of September 15, 2015.

No person has been authorized to give any information or to make any representation in connection with the matters being considered herein other than those contained in this Circular and, if given or made, such information or representation should be considered or relied upon as not 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.

Information contained in this Circular should not be construed as legal, tax or financial advice and Fission Shareholders are urged to consult their own professional advisors in connection with the matters considered in 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.

### **Information Contained in this Circular regarding Denison**

The information concerning Denison, its affiliates, the Denison Shares and the Combined Company (other than with respect to information provided by Fission) contained in this Circular and all Denison documents filed by Denison with a securities commission or similar authority in Canada that are incorporated by reference herein have been provided by Denison for inclusion in this Circular. In the Arrangement Agreement, Denison provided a covenant to Fission that it would ensure that all information provided by it for the preparation of this Circular will constitute full, true and plain disclosure of all material facts concerning Denison and will not contain any misrepresentations. Although Fission has no knowledge that would indicate any statements contained herein relating to Denison, its affiliates, the Denison Shares or the Combined Company (other than with respect to information provided by Fission) taken from or based upon such information provided by Denison are untrue or incomplete, neither Fission nor any of its officers or directors assumes any responsibility for the accuracy or completeness of the information relating to Denison, its affiliates, the Denison Shares or the Combined Company (other than with respect to information provided by Fission), or for any failure by Denison to disclose facts or events that may have occurred or may affect the significance or accuracy of any such information but which are unknown to Fission.

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND RISKS**

This Circular and the documents incorporated into this Circular by reference, contain “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and “forward-looking information” within the meaning of the applicable Canadian securities

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legislation (forward-looking information and forward-looking statements being collectively herein after referred to as “forward-looking statements”) that are based on expectations, estimates and projections as at the date of this Circular or the dates of the documents incorporated herein by reference, as applicable. These forward-looking statements include but are not limited to statements and information concerning: the Arrangement; covenants of Fission and Denison; the timing for the implementation of the Arrangement and the potential benefits of the Arrangement; the likelihood of the Arrangement being completed; principal steps to the Arrangement; the board and management team following completion and receipt of the necessary shareholder and regulatory approvals; statements made in, and based upon, the Fairness Opinion; statements relating to the business and future activities of, and developments related, to Fission and Denison after the date of this Circular and prior to the Effective Time and to and of Denison after the Effective Time; Fission Shareholder Approval and Court approval of the Arrangement; regulatory approval of the Arrangement; market position, and future financial or operating performance of Fission and Denison; liquidity of Denison Shares following the Effective Time; statements based on the unaudited pro forma financial statements and audited financial statements attached as Appendix “G” and Appendix “H”, respectively, to this Circular; anticipated developments in operations; the future price of uranium; 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.

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might”, or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements, which include statements relating to, among other things, the ability of Fission or Denison to continue to successfully compete in the market.

These forward-looking statements are based on the beliefs of Fission’s and Denison’s management, as the case may be, as well as on assumptions, which such management believes to be reasonable based on information currently available at the time such statements were made. However, there can be no assurance that the forward-looking statements will prove to be accurate. Such assumptions and factors include, among other things, the satisfaction of the terms and conditions of the Arrangement, including the approval of the Arrangement and its fairness by the Court, and the receipt of the required governmental and regulatory approvals and consents.

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By their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Fission or Denison to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by forward-looking statements, including, without limitation: the Arrangement Agreement may be terminated in certain circumstances; general business, economic, competitive, political, regulatory and social uncertainties; uranium price volatility; uncertainty related to mineral exploration properties; risks related to the ability to finance the continued exploration of mineral properties; risks related to Fission not having any proven or provable mineral reserves; history of losses of Fission and expectation of future losses for Denison; risks related to factors beyond the control of Fission, or Denison; risks and uncertainties associated with exploration; risks related to Fission's limited business history; unknown environmental risks arising from past activities on Fission's properties; the limited number of exploration prospects relied on; risks related to the business combination with Denison; risks related to future acquisitions and joint ventures, such as new geographic, political, operating, financial and geological risks or risks related to assimilating operations and employees; risks related to the prior business of Fission; risks related to the prior business of Denison; the potential for additional financings and dilution of the equity interests of Fission's Shareholders; that Fission has no history of mineral production or mining operations; risks related to the nature of mineral exploration and development; discrepancies between actual and estimated mineral resources; risks caused by factors beyond Fission's control, such as uranium market price volatility, recovery rates of minerals from mined ore and demand for nuclear power; risks related to competition in the mineral industry; that Fission has no history of dividends; risks related to regulatory requirements including environmental laws and regulations and liabilities; risks related to obtaining permits and licences and future changes to environmental laws and regulations; risks related to Fission's inability to obtain insurance for certain potential losses; risk related to uranium industry competition and international trade restrictions; the potential deregulation of the electrical utility industry; risks related to the public acceptance and perception of nuclear power; competition of nuclear power with other energy sources; environmental risks and hazards, including unknown environmental risks related to past activities; risks related to current or future litigation which could affect Fission's operations; risks related to political developments and policy shifts; risks related to costs of land reclamation; risks related to Fission's title to the PLS Property; risks related to dependence on key personnel; risks related to amendments to laws; risks related to the involvement of some of the directors and officers of Fission and Denison with other natural resource companies active in the same region as the PLS Property; risks related to the influence of third party stakeholders on the exploration and development of the PLS Property; risks related to the market value of Fission Shares; changes in labour costs or other costs of production; labour disputes; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; the ability to renew existing licenses or permits or obtain required licenses and permits; increased infrastructure and/or operating costs; risks of not meeting exploration budget forecasts; risks related to directors and officers of Fission possibly having interests in the Arrangement that are different from other Fission Shareholders; risks relating to the possibility that more than 5% of Fission Shareholders may exercise their dissent rights; and community and non-governmental actions and regulatory risks.

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Some of the important risks and uncertainties that could affect forward-looking statements are described further under the heading “*The Meeting – The Arrangement – Risks Associated with the Arrangement*” and in Appendix “E” to this Circular, and in other documents incorporated by reference in this Circular. Although Fission has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking 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. These forward-looking statements are made as of the date of this Circular and other than as required by applicable Securities Laws, Fission assumes no obligation to update or revise them to reflect new events or circumstances.

## **NOTE TO UNITED STATES SECURITYHOLDERS**

**THE ARRANGEMENT AND THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE IN THE UNITED STATES, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE IN THE UNITED STATES PASSED UPON 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 Shares and Denison Replacement Options to be received by Fission Shareholders and Fission Optionholders in exchange for their Fission Shares and Fission Options pursuant to the Arrangement, have not been registered under the U.S. Securities Act or applicable state Securities Laws, and are being 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 Laws. 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 September 14, 2015 and, subject to the approval of the Arrangement by the Fission Shareholders, a hearing of the application for the Final Order will be held on October 16, 2015 at 9:45 a.m. (Vancouver Time) at the Courthouse, at 800 Smithe Street, Vancouver, British Columbia, Canada. All Fission 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 Shares and Denison Replacement Options to be received by Fission Shareholders and Fission Optionholders in exchange for their Fission Shares and Fission Options 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 Meeting – The Arrangement – Regulatory Law Matters and Securities Law Matters*”.

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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, this Circular has been prepared in accordance with disclosure requirements applicable 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. Fission Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the U.S. Securities Act and to proxy statements under the U.S. Exchange Act.

Without limiting the foregoing, information concerning the mineral properties of Fission and Denison has been prepared in accordance with the requirements of Canadian Securities Laws, which differ in material respects from the requirements of Securities Laws of the United States 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 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. Fission U.S. Securityholders are cautioned that, except for that portion of 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 as to whether they 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, Fission 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, Fission 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.

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.

Fission Securityholders should be aware that the acquisition by Fission Shareholders of the Denison Shares, pursuant to the Arrangement described herein may have tax consequences both in the United States and in Canada. Fission Shareholders who are resident in, or citizens of, the United States are advised to review the summary contained in this Circular under the heading “*Certain United States Federal Income Tax Considerations*” and under the heading “*Certain Canadian Federal Income Tax Considerations*”, and Fission Shareholders are urged to

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consult their own tax advisors to determine the particular United States tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction.

The enforcement by investors of civil liabilities under United States Securities Laws may be affected adversely by the fact that each of Fission and Denison is incorporated or organized outside the United States, that some or all of their respective officers and directors and the experts named herein are residents of a country other than the United States, and that all or a portion of the assets of each of Fission and Denison and of said persons are located outside the United States. As a result, it may be difficult or impossible for Fission U.S. Securityholders to effect service of process within the United States upon Fission and Denison, 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, Fission 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 Shares to be received by Fission Shareholders 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 after the Effective Date, or were “affiliates” of Denison 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 Shares 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 Meeting – 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) 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 Denison Replacement Options 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 Denison Replacement Options 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 pursuant to any such exercise, Denison may require evidence (which may include an opinion of counsel) reasonably satisfactory to Denison to the effect that the issuance of such Denison Shares does not require registration under the U.S. Securities Act or applicable state securities laws. Denison Shares received upon exercise of the Denison Replacement Options, 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.

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Securities Act and all applicable state Securities Laws or unless an exemption 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 Fission or Denison.

## **CURRENCY AND EXCHANGE RATES**

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 following table sets out: (i) the rates of exchange for one U.S. dollar expressed in Canadian dollars in effect at the end of the periods indicated; (ii) the average rates of exchange for such periods; and (iii) the highest and lowest rates of exchange during such periods, based on the closing rates of exchange as quoted by the Bank of Canada.

	<b>Year Ended December 31</b>		
	<b>2012</b>	<b>2013</b>	<b>2014</b>
Low	0.968	0.984	1.064
High	1.040	1.070	1.166
Average	1.000	1.030	1.105
Year End	0.995	1.064	1.160

On September 14, 2015, the closing exchange rate for one United States dollar expressed in Canadian dollars as reported by the Bank of Canada was Cdn\$1.326.

## **REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES**

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

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## GLOSSARY OF TERMS

In this Circular and accompanying Notice of Special Meeting, unless there is something in the subject matter inconsistent therewith, the following terms shall have the respective meanings set out below, words importing the singular number shall include the plural and vice versa and words importing any gender shall include all genders.

**“Acquisition Proposal”**

means, other than the transactions contemplated by the Arrangement Agreement and other than any transaction involving only a Party and/or one or more of its wholly-owned subsidiaries, any offer, proposal or inquiry from any Person or group of Persons acting jointly or in concert, whether or not in writing and whether or not delivered to the shareholders of a Party, after the date hereof relating to: (a) any acquisition or purchase, direct or indirect, of: (i) the assets of that Party and/or one or more of its subsidiaries that, individually or in the aggregate, constitute 20% or more of the consolidated assets of that Party and its subsidiaries, taken as a whole, or which contribute 20% or more of the consolidated revenue of a Party and its subsidiaries, taken as a whole (or any lease, long-term supply or off-take agreement, hedging arrangement or other transaction having the same economic effect as a sale of such assets), or (ii) 20% or more of the issued and outstanding voting or equity securities of that Party or any one or more of its subsidiaries that, individually or in the aggregate, contribute 20% or more of the consolidated revenues or constitute 20% or more of the consolidated assets of that Party and its subsidiaries, taken as a whole; (b) any take-over bid, tender offer or exchange offer that, if consummated, would result in such Person or group of Persons beneficially owning 20% or more of the issued and outstanding voting or equity securities of any class of voting or equity securities of that Party; or (c) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving that Party or any of its subsidiaries whose assets or revenues, individually or in the aggregate, constitute 20% or more of the consolidated assets or revenues, as applicable, of that Party and its subsidiaries, taken as a whole; in all cases, whether in a single transaction or in a series of related transactions. For the purposes of the definition of “Superior Proposal”, reference in the definition of Acquisition Proposal to “20%” shall be deemed to be replaced by “100%”.

**“affiliate”**

has the meaning ascribed thereto in the Securities Act.

**“Alpha”**

means Alpha Minerals Inc.

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<b>“Amalco”</b>	means Fission Uranium Corp.
<b>“Arrangement”</b>	means the arrangement of Fission under section 192 of the CBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to amendments or variations to the Plan of Arrangement made in accordance with Section 8.5 of the Arrangement Agreement or Article 7 of the Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of the Parties, each acting reasonably.
<b>“Arrangement Agreement”</b>	means the Arrangement Agreement dated as of July 27, 2015 among Denison, Fission and Subco, together with the schedules hereto, together with the Fission Disclosure Letter and the Denison Disclosure Letter as the same may be amended, supplemented or otherwise modified from time to time.
<b>“Arrangement Resolution”</b>	means the special resolution of the Fission Shareholders, approving the Arrangement, to be considered at the Meeting, substantially in the form of Appendix “A” hereto.
<b>“Authorization”</b>	means any authorization, order, Permit, approval, grant, licence, registration, consent, right, notification, condition, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decision, decree, bylaw, rule or regulation, whether or not having the force of Law, and includes any Environmental Permit.
<b>“BCSC”</b>	means the British Columbia Securities Commission.
<b>“BMO”</b>	means BMO Nesbitt Burns Inc., strategic advisor to Fission.
<b>“Business Day”</b>	means any day of the year, other than a Saturday, Sunday or any statutory holiday in Toronto, Ontario or Vancouver, British Columbia.
<b>“Canadian Securities Administrators”</b>	means the voluntary umbrella organization of Canada’s provincial and territorial securities regulators.
<b>“CBCA”</b>	means the <i>Canada Business Corporations Act</i> including all regulations made thereunder.
<b>“CDN NOBO”</b>	has the meaning attributed thereto under the following heading in this Circular: <i>“General Proxy Information – Who can Vote?”</i>
<b>“CDN OBO”</b>	has the meaning ascribed to that term in the section of this Circular entitled <i>“General Proxy Information - Non-Registered Holders (Canadian Objecting Beneficial Owners and US Beneficial</i>

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Owners)".

<b>"CDS &amp; Co.</b>	means the registration name for CDS Clearing and Depository Services Inc., which acts as a nominee for many Canadian brokerage firms.
<b>"Certificate of Arrangement"</b>	means the certificate of arrangement to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the articles of arrangement.
<b>"Circular"</b>	means, collectively, the Notice of Special Meeting and this Management Information Circular of Fission, including all appendices hereto, sent to Fission Shareholders in connection with the Meeting and sent to Fission Optionholders and Fission Warrantholders for information purposes.
<b>"Change in Recommendation"</b>	has the meaning attributed thereto under the following heading in this Circular: <i>"The Meeting – The Arrangement – The Arrangement Agreement – Non-Solicitation Covenant"</i> .
<b>"CIM"</b>	means the Canadian Institute of Mining, Metallurgy and Petroleum.
<b>"Claim"</b>	means (i) any suit, action, proceeding, dispute, investigation, claim, arbitration, order, summons, citation, directive, ticket, charge, demand or prosecution, whether legal or administrative; or (ii) any appeal or application for review; at law or in equity or by any Governmental Entity.
<b>"Code"</b>	means the United States Internal Revenue Code of 1986, as amended.
<b>"Combined Company"</b>	means Denison after completion of the Arrangement, with its name changed to "Denison Energy Corp.", or such other name as is determined by the Denison Board in its sole discretion, subject to regulatory and shareholder approval.
<b>"Commissioner of Competition"</b>	means the Commissioner under the Competition Act or any Person duly authorized to exercise the powers of the Commissioner of Competition.
<b>"Competition Act"</b>	means the <i>Competition Act</i> (Canada).
<b>"Competition Act Approval"</b>	means with respect to the transactions contemplated by the Arrangement Agreement, either of the following: (i) receipt by Denison of an advance ruling certificate issued by the Commissioner of Competition under Section 102(1) of the Competition Act; or (ii) both of the (A) expiry or termination of the

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waiting period under Section 123 of the Competition Act or the waiver of the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act under Section 113(c) of the Competition Act, and (B) receipt by Denison of a No-Action Letter on terms satisfactory to each Party, acting reasonably.

**“Confidentiality Agreement”**

means the confidentiality agreement between the Parties made with effect as of June 29, 2015.

**“Consideration”**

means the consideration to be received by Fission Shareholders pursuant to the Plan of Arrangement in respect of each Fission Share that is issued and outstanding immediately prior to the Effective Time, comprising of (i) 1.26 Denison Shares (subject to adjustment of the Exchange Ratio), and (ii) cash in the amount of \$0.0001, for each Fission Share.

**“Consideration Share Maximum”**

means the total number of Denison Shares outstanding (on an undiluted basis) immediately prior to the completion of the Arrangement less 100,000.

**“Consideration Shares”**

means the Denison Shares to be issued in exchange for Fission Shares pursuant to the Arrangement.

**“Contract”**

means any contract, agreement, license, claim, franchise, lease, arrangement, commitment, understanding, joint venture, partnership or other right or obligation (written or oral) to which a Party, or any of its subsidiaries is a party, or by which it or any of its subsidiaries is bound, or to which any of their respective properties or assets is subject.

**“Court”**

means the Supreme Court of British Columbia.

**“CRA”**

means the Canada Revenue Agency.

**“Denison”**

means Denison Mines Corp., a corporation existing under the laws of Ontario.

**“Denison Board”**

means the board of directors of Denison, prior to the completion of the Arrangement, as the same is constituted from time to time.

**“Denison Disclosure Letter”**

means the disclosure letter executed by Denison and delivered to Fission prior to or concurrently with the execution of the Arrangement Agreement.

**“Denison Meeting”**

means the special meeting of Denison Shareholders, including any adjournment or postponement thereof, to be called for the purpose of considering resolutions relating to the Arrangement Agreement.

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<b>“Denison Locked-up Shareholders”</b>	means those senior officers and directors of Denison who have entered into the Denison Voting Agreements.
<b>“Denison Option Plan”</b>	means the stock option plan of Denison last approved by Denison Shareholders on May 9, 2013.
<b>“Denison Options”</b>	means, at any time, options to acquire Denison Shares granted pursuant to the Denison Option Plan which are, at such time, outstanding and unexercised whether or not vested.
<b>“Denison Replacement Options”</b>	means an option to purchase from Denison the number of Denison Shares equal to the product of the number of Fission Shares subject to the Fission Option immediately before the Effective Time and the Exchange Ratio, in exchange for each Fission Option outstanding immediately prior to the Effective Time.
<b>“Denison Shares”</b>	means common shares in the authorized share capital of Denison, as currently constituted.
<b>“Denison Shareholder Approval</b>	means the ordinary resolution of Denison Shareholders approving the issuance of Consideration Shares (including any Denison Shares issuable upon the exercise of the Fission Options or Fission Warrants), at the Denison Meeting.
<b>“Denison Shareholders”</b>	means the holders of Denison Shares.
<b>“Denison Voting Agreements”</b>	means the voting agreements (including all amendments thereto) between Fission and the Denison Locked-up Shareholders, pursuant to which the Denison Locked-up Shareholders have agreed, among other things, to vote the Denison Shares held by them in favour of the resolutions relating to the Arrangement Agreement.
<b>“Depositary”</b>	means Computershare Investor Services Inc.
<b>“Director”</b>	means the Director appointed pursuant to Section 260 of the CBCA.
<b>“Dissent Rights”</b>	has the meaning ascribed thereto in Section 5.1 of the Plan of Arrangement.
<b>“Dissent Shares”</b>	means Fission Shares held by a Dissenting Fission Shareholder and in respect of which the Dissenting Fission Shareholder has duly and validly exercised the Dissent Rights in accordance with the dissent procedures in the Interim Order.

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<b>“Dissenting Fission Shareholder”</b>	means a Registered Fission Shareholder who has duly and validly exercised the Dissent Rights in respect of the Arrangement Resolution in strict compliance with the Dissent Rights and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights.
<b>“Dissenting Resident Shareholder”</b>	has the meaning attributed thereto under the following heading in this Circular: <i>“Certain Canadian Federal Income Tax Considerations – Residents of Canada – Dissenting Shareholders”</i> .
<b>“Dundee”</b>	means Dundee Securities Ltd., financial advisor to Fission.
<b>“Effective Date”</b>	means the date shown on the Certificate of Arrangement giving effect to the Arrangement, which shall be no later than the Outside Date.
<b>“Effective Time”</b>	means 12:01 a.m. (Toronto time) on the Effective Date or such other time as Fission and Denison may agree upon in writing.
<b>“Elected Amount”</b>	has the meaning attributed thereto under the following heading in this Circular: <i>“Certain Canadian Federal Income Tax Considerations – Residents of Canada – Exchange of Fission Shares for Denison Shares and Cash – Section 85 Election”</i> .
<b>“Eligible Shareholder”</b>	has the meaning attributed thereto under the following heading in this Circular: <i>“Certain Canadian Federal Income Tax Considerations – Residents of Canada – Exchange of Fission Shares for Denison Shares and Cash – Section 85 Election”</i> .
<b>“Eligible Institution”</b>	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).
<b>“Encumbrance”</b>	means any Claim, encumbrance, Lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, right of occupation, option, right of pre-emption, privilege or any matter capable of registration against title or any Contract to create any of the foregoing.
<b>“Environmental Laws”</b>	means all Laws aimed at, or relating to, the reclamation or restoration of properties, protection of the environment, abatement of pollution, protection of wildlife, ensuring public safety from environmental hazards and all other Laws relating to the management processing, use, treatment, storage, disposal,

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discharge, transport or handling of any Hazardous Substances.

**“Environmental Permits”**

means any Permits issued or required under any Environmental Law.

**“Exchange Ratio”**

means 1.26 Denison Shares for each Fission Share on a pre-consolidation basis, provided that in no event shall the number of Consideration Shares issued be greater than the Consideration Share Maximum, and if the completion of the Arrangement would require the issue of that greater number of Denison Shares, the Exchange Ratio shall be adjusted so that the total number of Consideration Shares issued does not exceed the Consideration Share Maximum.

**“Fairness Opinion”**

means the written opinion of Dundee that, as of the date thereof and subject to and based on the considerations, assumptions and limitations described therein, the Consideration to be received by Fission Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Fission Shareholders dated July 6, 2015 and delivered to the Fission Board in connection with the Arrangement, a copy of which is attached as Appendix “C” to this Circular.

**“Final Order”**

means an order of the Court granted pursuant to Section 192 of the CBCA, in a form acceptable to each of the Parties, each acting reasonably, approving the Arrangement after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of the Parties, each acting reasonably) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided, however, that any such amendment is acceptable to the Parties, each acting reasonably) on appeal, unless such appeal is withdrawn, abandoned or denied.

**“Fission” or the “Company”**

means Fission Uranium Corp., a corporation existing under the laws of Canada.

**“Fission Board”**

means the board of directors of Fission as the same is constituted from time to time.

**“Fission Disclosure Letter”**

means the disclosure letter executed by Fission and delivered to Denison concurrently with the execution of the Arrangement Agreement.

**“Fission Financial Advisor”**

means Dundee.

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<b>“Fission Locked-up Shareholders”</b>	means those senior officers and directors of Fission who have entered into the Fission Voting Agreements.
<b>“Fission Optionholder”</b>	means a holder of Fission Options.
<b>“Fission Option Plan”</b>	means the stock option plan of Fission last approved by Fission Shareholders on August 7, 2014.
<b>“Fission Options”</b>	means, at any time, options to acquire Fission Shares granted under the Fission Option Plan which are, at such time, outstanding and unexercised, whether or not vested.
<b>“Fission Securityholders”</b>	means the Fission Shareholders, the Fission Optionholders and Fission Warrantholders.
<b>“Fission Shareholder Approval”</b>	means the requisite approval for the Arrangement Resolution, which shall be at least two-thirds of the votes cast by the Fission Shareholders present in person or by proxy at the Meeting plus minority approval as required pursuant to MI 61-101.
<b>“Fission Shareholders”</b>	means the holders of Fission Shares.
<b>“Fission Shares”</b>	means common shares in the authorized share capital of Fission.
<b>“Fission Strategic Advisor”</b>	means BMO.
<b>“Fission Voting Agreements”</b>	means the voting agreements (including all amendments thereto) between Denison and the Fission Locked-up Shareholders, pursuant to which the Fission Locked-up Shareholders have agreed, among other things, to vote the Fission Shares held by them in favour of the Arrangement Resolution.
<b>“Fission U.S. Securityholders”</b>	means Fission Securityholders in the United States.
<b>“Fission Warrantholder”</b>	means a holder of Fission Warrants.
<b>“Fission Warrants”</b>	means at any time, the common share purchase warrants to acquire Fission Shares which are at such time outstanding and unexercised.
<b>“Governmental Entity”</b>	means (i) any multinational or supranational body or organization, nation, government, state, province, country, territory, municipality, quasi-government, administrative, judicial or regulatory authority,

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agency, board, body, bureau, commission, instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) thereof, any taxing authority, any ministry or department or agency of any of the foregoing, (ii) any self-regulatory organization or stock exchange, including the TSX and the NYSE MKT, (iii) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, (iv) the Commissioner of Competition, and (v) any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of such entities or other bodies pursuant to the foregoing.

**“Hazardous Substance”**

means any waste or other substance that is prohibited, listed, defined, designated or classified as hazardous, radioactive, corrosive, explosive, infectious, carcinogenic, or toxic or a pollutant or a contaminant under or pursuant to, or that could result in liability under, any applicable Environment Laws including petroleum and all derivatives thereof or synthetic substitutes therefor, hydrogen sulphide, arsenic, cadmium, lead, mercury, polychlorinated biphenyls (PCBs), PCB-containing equipment and material, mould, asbestos, asbestos-containing material, urea-formaldehyde, urea-formaldehyde-containing material and any other material or substance that may impair the environment.

**“IFRS”**

means International Financial Reporting Standards, as incorporated in the Handbook of the Canadian Institute of Chartered Accountants at the relevant time applied on a consistent basis.

**“Interim Order”**

means the interim order of the Court to be issued following the application therefor contemplated by Section 2.2 of the Arrangement Agreement, in a form acceptable to Fission and Denison, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as the same may be affirmed, amended, modified, supplemented or varied by the Court with the consent of Fission and Denison, each acting reasonably.

**“In-The-Money Amount”**

means, in respect of a stock option, the amount, if any, by which the aggregate fair market value at that time of the securities subject to the option exceeds the aggregate exercise price of the option.

**“IRS”**

means the Internal Revenue Service of the United States.

**“Key Regulatory Approvals”**

means those sanctions, rulings, consents, orders, exemptions, permits and other approvals of Governmental Entities, necessary to proceed with the transactions contemplated by the Arrangement Agreement and the Plan of Arrangement, including but not limited to (i) in relation to Fission, the approval of the TSX in respect of the

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Arrangement and the grant of the Interim Order and the Final Order, and (ii) in relation to Denison, the approval of the TSX for the issuance and listing of the Consideration Shares, and (iii) the Competition Act Approval.

<b>"Kingsdale"</b>	means Kingsdale Shareholder Services.
<b>"Law" or "Laws"</b>	means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended.
<b>"Letter Agreement"</b>	means the binding letter agreement dated July 6, 2015 between the Parties in respect of the transactions contemplated by the Arrangement Agreement.
<b>"Letter of Transmittal"</b>	means the letter of transmittal delivered by Fission to Fission Shareholders together with this Circular.
<b>"Lien"</b>	means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachments, option, right of first refusal or first offer, occupancy right, covenant, assignment, lien (statutory or otherwise), defect of title, or restriction or adverse right or claim, or other third party interest or encumbrance of any kind, in each case, whether contingent or absolute.
<b>"Locked-up Shareholders"</b>	means collectively the Fission Locked-up Shareholders and Denison Locked-up Shareholders.
<b>"Material Adverse Effect"</b>	means, in respect of any Person, any effect that is, or could reasonably be expected to be, material and adverse to the business, condition (financial or otherwise), properties, assets (tangible or intangible), liabilities (whether absolute, accrued, conditional or otherwise), operations or results of operations of such Person and its subsidiaries, taken as a whole, other than any effect relating to or affecting, as applicable (i) the Canadian economy, political conditions (including the outbreak of war or any acts of terrorism) or securities markets in general, (ii) the uranium mining industry or nuclear power generation industry in general, (iii) any generally applicable change in applicable Laws (other than orders, judgments or decrees against such Person or any of its subsidiaries, or (iv) a change in the market trading price of that

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Person that is either (A) related to the Arrangement Agreement and the transactions contemplated by the Arrangement Agreement or the announcement thereof, or (B) primarily a result of a change, effect, event or occurrence excluded from this definition of Material Adverse Effect referred to in clause (i), (ii) or (iii) above; provided, however, that the effect referred to in clause (i), (ii) or (iii) above does not primarily relate only to (or have the effect of primarily relating only to) such Person and its subsidiaries, taken as a whole, or disproportionately adversely affect such Person and its subsidiaries, taken as a whole, compared to other companies of similar size operating in the industry in which such Person and its subsidiaries operate.

**“material change”,  
“material fact” and  
“misrepresentation”**

have the meanings ascribed thereto in the Securities Act.

**“Meeting”**

means the special meeting of Fission Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution.

**“MI 61-101”**

means Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*.

**“NI 43-101”**

means National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

**“No-Action Letter”**

means written confirmation from the Commissioner of Competition that he does not, at that time, intend to make an application under Section 92 of the Competition Act.

**“Non-Registered  
Holder”**

means a Fission Shareholder who is not a Registered Fission Shareholder.

**“Non-Resident  
Shareholders”**

has the meaning attributed thereto under the following heading in this Circular: *“Certain Canadian Federal Income Tax Considerations – Non-Residents of Canada.”*

**“Notice of Dissent”**

means a notice of dissent duly and validly given by a Registered Fission Shareholder exercising Dissent Rights as contemplated in the Plan of Arrangement and the Interim Order.

**“Notice of Special  
Meeting”**

means the notice to the Fission Shareholders which accompanies this Circular.

**“NYSE MKT”**

means the NYSE MKT LLC.

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<b>“ordinary course of business consistent with past practice”</b>	means, with respect to an action taken by a Person, that such action is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day business and operations of such Person.
<b>“OTCQX”</b>	means the OTCQX marketplace.
<b>“Outside Date”</b>	means October 30, 2015 or such later date as may be agreed to in writing by the Parties.
<b>“Parties”</b>	means, as applicable, Fission, Denison and Subco and <b>“Party”</b> means any one of them.
<b>“Permit”</b>	means any license, permit, certificate, consent, order, grant, approval, agreement, classification, restriction, registration or other Authorization of, from or required by any Governmental Entity.
<b>“Person”</b>	includes any individual, firm, partnership, limited partnership, limited liability partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, body corporate, corporation, company, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status.
<b>“PFIC”</b>	has the meaning attributed thereto under the following heading in this Circular: <i>“Certain United States Federal Income Tax Considerations – Tax Consequences of the Acquisition if Fission Is Classified as a PFIC”</i>
<b>“Plan of Arrangement”</b>	means the plan of arrangement of Fission, substantially in the form of Appendix “B” hereto, and any amendments or variations thereto made from time to time in accordance with the Arrangement Agreement, the Plan of Arrangement or upon the direction of the Court in the Interim Order or the Final Order with the consent of the Parties, each acting reasonably.
<b>“PLS Property”</b>	means Fission’s Patterson Lake South property located in the Athabasca Basin region of Saskatchewan, Canada, which, as of the date of this Circular, is Fission’s only property.
<b>“Record Date”</b>	means September 4, 2015.
<b>“Registered Plans”</b>	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

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	registered education savings plan.
<b>“Registered Fission Shareholder”</b>	means a registered holder of Fission Shares.
<b>“Regulation S”</b>	means Regulation S under the U.S. Securities Act.
<b>“Representative”</b>	means, collectively, in respect of a Person, its subsidiaries and its affiliates and its and their officers, directors, employees, consultants, advisors, agents or other representatives (including financial, legal or other advisors).
<b>“Resident Shareholders”</b>	has the meaning attributed thereto under the following heading in this Circular: <i>“Certain Canadian Federal Income Tax Considerations – Residents of Canada”</i> .
<b>“Retention Bonus Payments”</b>	means those retention bonuses payable in the amounts and to the individuals set forth in Schedule F of the Arrangement Agreement;
<b>“Retention Bonus Shares”</b>	means the Denison Shares on a post-consolidation basis to be issued to Messrs. Randhawa, McElroy, Hochstein, Cates (at his election), Charlish (at his election) and other Denison employees (allocated at the discretion of Denison) in satisfaction of certain Retention Bonus Payments, which Denison Shares will be valued at the five (5) day volume weighted average price of the Denison Shares on the TSX (on a post-consolidation basis), immediately following the Effective Date;
<b>“Rule 144”</b>	means Rule 144 under the U.S. <i>Securities Act</i> .
<b>“SEC”</b>	means the United States Securities and Exchange Commission.
<b>“Section 85 Election”</b>	has the meaning attributed thereto under the following heading in this Circular: <i>“Certain Canadian Federal Income Tax Considerations – Residents of Canada – Exchange of Fission Shares for Denison Shares and Cash – Section 85 Election”</i> .
<b>“Securities Act”</b>	means the <i>Securities Act</i> (Ontario) 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.
<b>“Securities Authorities”</b>	means all applicable securities regulatory authorities, including the applicable securities commission or similar regulatory authorities in each of the provinces and territories of Canada and the TSX.
<b>“Securities Laws”</b>	means the Securities Act, together with all other applicable Canadian provincial securities laws, the U.S. Securities Act, U.S.

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Exchange Act, and applicable securities laws of the United States and the states thereof, and the rules and regulations and published policies of the securities authorities thereunder, as now in effect and as they may be promulgated or amended from time to time, and includes the rules and policies of the TSX and of the NYSE MKT.

<b>“SEDAR”</b>	means the System for Electronic Document Analysis and Retrieval as outlined in NI 13-101, which can be accessed online at <a href="http://www.sedar.com">www.sedar.com</a> .
<b>“Solicited Party”</b>	has the meaning attributed thereto under the following heading in this Circular: <i>“The Meeting – The Arrangement – The Arrangement Agreement – Non-Solicitation Covenant”</i> .
<b>“Special Committee”</b>	means the committee formed by the Fission Board to consider the Arrangement.
<b>“Subco”</b>	means 9373721 Canada Inc., a wholly owned subsidiary of Denison.
<b>“subsidiary”</b>	has the meaning ascribed thereto in the Securities Act.
<b>“Superior Proposal”</b>	means any <i>bona fide</i> Acquisition Proposal made in writing by a third party or third parties acting jointly or in concert with one another, who deal at arm’s length to Fission or Denison, as the case may be, after the date hereof that, in the good faith determination of the Fission Board or the Denison Board, as applicable, after receipt of advice from its outside financial advisor and legal counsel: (i) is reasonably capable of being completed in accordance with its terms without undue delay, taking into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal; (ii) in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to be available; (iii) is not subject to a due diligence or access condition; (iv) did not result from a material breach of Article 7 of the Arrangement Agreement, by the receiving Party or its representatives; (v) in the case of a transaction that involves the acquisition of common shares of a Party, is made available to all Fission Shareholders or Denison Shareholders, as the case may be, on the same terms and conditions; (vi) failure to recommend such Acquisition Proposal to the Fission Shareholders or Denison Shareholders, as the case may be, would be inconsistent with the Fission Board’s fiduciary duties or the Denison Board’s fiduciary duties; and (vii) taking into account all of the terms and conditions of such Acquisition Proposal, if consummated in accordance with its terms (but not assuming away any risk of non-completion), would result in a transaction more favourable to its shareholders, taken as

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a whole, from a financial point of view, than the Arrangement (after taking into account any adjustment to the terms and conditions of the Arrangement proposed by the other Party pursuant to Subsection 7.3 of the Arrangement Agreement).

**“Tax Act”** means the *Income Tax Act* (Canada) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time.

**“Taxes”** means (i) any and all domestic and foreign federal, state, provincial, municipal and local taxes, assessments and other governmental charges, duties, impositions and liabilities imposed by any Governmental Entity, including without limitation pension plan contributions, tax instalment payments, unemployment insurance contributions and employment insurance contributions, workers’ compensation and deductions at source, including taxes based on or measured by gross receipts, income, profits, sales, capital, use, and occupation, and including goods and services, value added, ad valorem, sales, capital, transfer, franchise, non-resident withholding, customs, payroll, recapture, employment, excise and property duties and taxes, together with all interest, penalties, fines and additions imposed with respect to such amounts, (ii) any and all liability for the payment of any items described in clause (i) above as a result of being (or ceasing to be) a member of an affiliated, consolidated, combined, unitary or aggregate group (or being included or being required to be included) in any Tax Return related to such group, and (iii) any and all liability for the payment of any amounts as a result of any express or implied obligation to indemnify any other person, or any successor or transferee liability, in respect of any items described in clause (i) or (ii) above.

**“Tax Proposals”** has the meaning attributed thereto under the following heading in this Circular: *“Certain Canadian Federal Income Tax Considerations”*.

**“Tax Returns”** means all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form) and including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required to be made, prepared or filed by Law in respect of Taxes.

**“Tax Regulations”** means the regulations under the Tax Act.

**“Terminating Party”** has the meaning attributed thereto under the following heading in this Circular: *“The Meeting – The Arrangement – The Arrangement Agreement – Non-Solicitation Covenant”*.

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<b>“Termination Payment”</b>	means an amount equal to \$14,000,000.
<b>“TSX”</b>	means the Toronto Stock Exchange.
<b>“United States” or “U.S.” or “USA”</b>	means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.
<b>“U.S. Exchange Act”</b>	means the United States <i>Securities Exchange Act</i> of 1934, as amended and the rules and regulations promulgated from time to time thereunder.
<b>“U.S. Holder”</b>	has the meaning ascribed to that term in the section of this Circular entitled “ <i>Certain United States Federal Income Tax Considerations</i> ”.
<b>“US NOBO”</b>	has the meaning ascribed to that term in the section of this Circular entitled “ <i>General Proxy Information - Non-Registered Holders (Canadian Objecting Beneficial Owners and US Beneficial Owners)</i> ”.
<b>“US OBO”</b>	has the meaning ascribed to that term in the section of this Circular entitled “ <i>General Proxy Information - Non-Registered Holders (Canadian Objecting Beneficial Owners and US Beneficial Owners)</i> ”.
<b>“U.S. Person”</b>	means a “U.S. person”, as such term is defined in Regulation S under the U.S. Securities Act.
<b>“U.S. Securities Act”</b>	means the <i>United States Securities Act of 1933</i> , as amended and the rules and regulations promulgated thereunder.
<b>“U.S. Treaty”</b>	means the Canada-United States Income Tax Convention (1980), as amended.
<b>“VIF”</b>	means a voting instruction form.
<b>“Voting Agreements”</b>	means collectively the Fission Voting Agreement and Denison Voting Agreement.
<b>“VWAP”</b>	means the volume-weighted average price.

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## **SUMMARY**

*This summary is qualified in its entirety by the more detailed information appearing elsewhere in this Circular, including the Appendices which are incorporated into and form part of this Circular. Terms with initial capital letters in this summary are defined in the Glossary of Terms immediately preceding this summary.*

### **The Meeting**

The Meeting will be held at the offices of Blake, Cassels & Graydon LLP, Suite 2600, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3, on October 14, 2015 commencing at 10:00 a.m. (Vancouver time).

### **Record Date**

Only Fission Shareholders of record at the close of business on September 4, 2015 will be entitled to receive notice of and vote at the Meeting, or any adjournment or postponement thereof.

### **Purpose of the Meeting**

At the Meeting, Fission Shareholders will be asked to consider and, if deemed advisable, to pass, the Arrangement Resolution approving the Arrangement between Fission and Denison. The full text of the Arrangement Resolution is set out in Appendix "A" to this Circular. In order for the Arrangement to become effective, the Arrangement Resolution must be approved, with or without amendment, by at least two-thirds of the votes cast in respect of the Arrangement Resolution by Fission Shareholders present in person or represented by proxy at the Meeting and approved by a simple majority of the votes cast at the Meeting in person or by proxy of the holders of Fission Shares, excluding the votes cast in respect of Fission Shares held by Mr. Randhawa and Mr. McElroy and any related parties (as defined by MI 61-101) or joint actors (as defined by MI 61-101), and such other holders of Fission Shares excluded by MI 61-101. See "*The Meeting – The Arrangement — Approval of Arrangement Resolution*".

### **Principal Steps to the Arrangement**

Under the Plan of Arrangement, commencing at the Effective Time, the following principal steps shall occur and shall be deemed to occur without any further act or formality, but in the order and with the timing set out in the Plan of Arrangement:

#### ***Dissent Shares***

- (a) Each Fission Share held by a Dissenting Fission Shareholder shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all Liens, to Denison and thereupon each Dissenting Fission Shareholder shall have the right to be paid the fair value of such holder's Dissent Shares in accordance with the Plan of Arrangement, and the name of such Dissenting Fission Shareholder shall be removed from the central securities register as a holder of Fission Shares and Denison shall be recorded as the registered and legal owner of such Fission Shares.

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### ***Share Exchange***

- (b) Each outstanding Fission Share (other than Fission Shares held by Denison or any affiliate thereof) will, without further act or formality by or on behalf of a holder of Fission Shares, be irrevocably assigned and transferred by the holder thereof to Denison (free and clear of all Liens) in exchange for 1.26 Denison Shares (subject to adjustment of the Exchange Ratio) and \$0.0001 in cash for each Fission Share held. At such time, the holders of such Fission Shares shall cease to be the holders thereof and to have any rights as holders of such Fission Shares other than the right to receive the Consideration and Denison shall be deemed to be the transferee and the legal and beneficial holder of such Fission Shares (free and clear of all Liens).
- (c) Each Fission Share held by Denison shall be transferred to Subco in consideration of the issue by Subco to Denison of one common share of Subco for each Fission Share so transferred, and the amount added to the stated capital of the Subco common shares will be equal to the paid up capital (as such term is defined in the Tax Act) of the Fission Shares so transferred.

### ***Fission Options and Warrants***

- (d) Each Fission Option outstanding immediately prior to the Effective Time will be exchanged for a Denison Replacement Option to purchase from Denison the number of Denison Shares equal to the product of the number of Fission Shares subject to the Fission Option immediately before the Effective Time, and the Exchange Ratio, provided that if the foregoing would result in the issuance of a fraction of a Denison Share on any particular exercise of Denison Replacement Options, then the number of Denison Shares otherwise issued shall be rounded down to the nearest whole number of Denison Shares. The exercise price per Denison Share subject to any such Denison Replacement Option shall be an amount (rounded to the nearest fourth decimal place) equal to the quotient of the exercise price per Fission Share under the exchanged Fission Option immediately prior to the Effective Time divided by the Exchange Ratio.
- (e) Each Fission Warrant shall be adjusted in accordance with the adjustment provisions in the relevant warrant certificate or warrant indenture such that following the completion of the Arrangement, each holder of Fission Warrants shall receive, upon exercise thereof, that number of Denison Shares determined in accordance with the Exchange Ratio and the anti-dilution provisions of such Fission Warrants, in lieu of each Fission Share to which it was otherwise entitled to receive upon exercise. Upon any valid exercise of a Fission Warrant after the Effective Time, Denison shall issue the necessary number of Denison Shares.

### ***Fission Amalgamation with Subco***

- (f) Fission and Subco shall amalgamate to form Amalco with the same effect as if they had amalgamated under Section 181 of the CBCA, except that the legal existence of Subco shall not cease and Subco shall survive.
- (g) Amalco will own and hold all property of Fission and Subco and all liabilities and obligations of Fission and Subco, whether arising by Contract or otherwise, may be

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enforced against Amalco to the same extent as if such obligations had been incurred or contracted by it.

### **Background to the Arrangement**

The provisions of the Arrangement Agreement are the result of arm's length negotiations between representatives of Fission and Denison and their respective financial and legal advisors. Details of the background to the Arrangement are set out under the heading "*The Meeting – The Arrangement — Background to the Arrangement*".

### **Recommendation of the Fission Board**

After careful consideration of, among other things, the Fairness Opinion and the other factors set out below under the heading "*The Meeting – The Arrangement – Fairness Opinion*", the Fission Board has determined that the Arrangement is fair to Fission Shareholders and is in the best interests of Fission. **Accordingly, the Fission Board recommends that Fission Shareholders vote FOR the Arrangement Resolution.**

### **Reasons for the Arrangement**

The Fission Board has reviewed and considered a number of factors relating to the Arrangement with the benefit of advice from Fission's senior management and the Fission Financial Advisor, Fission Strategic Advisor and legal advisors. The following is a summary of the principal reasons for the recommendation of the Fission Board that Fission Shareholders vote FOR the Arrangement Resolution:

- **Premium.** Based on the 30-day VWAP of Denison's Shares on the TSX of \$0.99 as at July 3, 2015, the offer implies a price per Fission Share of \$1.25 and represents a premium of approximately 18% to the 30-day VWAP of Fission's Shares on the TSX of \$1.06 as at July 3, 2015.
- **Participation in the Combined Entity.** Risks and uncertainties faced by Fission proceeding on its own with one significant asset are believed to be lessened by the combination of the businesses and assets of Fission and Denison, since Fission will benefit from, among other things, increased technical expertise, greater ability to finance, asset diversification, greater analyst coverage and increased share liquidity.
- **Fairness Opinion.** The Fairness Opinion from Dundee, financial advisor to Fission that, as of the date thereof and subject to and based on the considerations, assumptions and limitations described therein, the Consideration pursuant to the Arrangement is fair, from a financial point of view, to Fission Shareholders.
- **Acceptance by Directors and Officers.** Pursuant to the Fission Voting Agreements, the directors and officers of Fission have agreed to vote, all of their Fission Shares, including any Fission Shares issuable upon exercise of their Fission Options in favour of the Arrangement at the Meeting.
- **Ability to Respond to Unsolicited Superior Proposals.** Under the terms of the Arrangement Agreement, the Fission Board is able to respond to any unsolicited bona fide

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written proposal that, having regard for all of its terms and conditions of such proposal, if consummated in accordance with its terms, may lead to a transaction more favourable to shareholders from a financial point of view than the Arrangement.

- **Exclusivity of Denison.** Under the Arrangement Agreement, Denison is limited in its ability to consider additional interest from third parties. Also, if the Arrangement Agreement is terminated as a result of a Superior Proposal for Denison, Denison must pay the Termination Payment to Fission and under certain circumstances, Denison must reimburse Fission for certain expenses, as described in the Arrangement Agreement.
- **Negotiated Transaction.** The Arrangement Agreement is the result of a negotiation process and includes terms and conditions that are reasonable in the judgment of the Special Committee.
- **Shareholder Approval.** The Arrangement must be approved by not less than two-thirds of the votes cast by Fission Shareholders present in person or represented by proxy at the Meeting and entitled to vote, as a class, plus the minority approvals required pursuant to MI 61-101.
- **Regulatory Approval.** The Arrangement must be approved by the Court, which will consider, among other things, the fairness and reasonableness of the Arrangement to Fission Shareholders. The Arrangement Agreement also contains a condition precedent that all regulatory approvals shall be obtained prior to closing.
- **Dissent Rights.** The terms of the Plan of Arrangement provide that Registered Fission Shareholders who oppose the Arrangement may, upon compliance with certain conditions, exercise dissent rights and, if ultimately successful, receive fair value for their Fission Shares.
- **Combined Management.** Fission will have the benefit of the expertise of certain of Denison's current board and management. In addition to Fission's two senior executives who will continue in their respective roles in the Combined Company, ex-Fission directors will form 50% of the board of directors of the Combined Company.
- **Enhanced Capital Markets Profile.** After completion of the Arrangement, the Combined Company is expected to be one of the largest publicly traded exploration and development companies in the world by market capitalization. Fission believes that this will lead to increased trading liquidity, analyst coverage, index inclusion and global capital markets profile.

See "*Cautionary Note Regarding Forward-Looking Statements and Risks*" and "*The Meeting – The Arrangement – Reasons for the Arrangement*."

### **Fairness Opinion**

In connection with the Arrangement, the Fission Board received a written opinion dated July 6, 2015 from the Fission Financial Advisor, which states that, as of July 6, 2015, and subject to the assumptions, limitations and qualifications set out therein, the Consideration to be received by

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Fission Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Fission Shareholders. The full text of the Fairness Opinion, which sets forth certain assumptions made, matters considered and limitations on the review undertaken in connection with the Fairness Opinion, is attached as Appendix “C” to this Circular. Fission Shareholders are urged to, and should, read the Fairness Opinion in its entirety. This summary is qualified in its entirety by reference to the full text of the Fairness Opinion. See “*The Meeting – The Arrangement – Fairness Opinion*”.

Subject to the terms of its engagement, Dundee 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 Dundee and the Fairness Opinion. The Fairness Opinion addresses only the fairness, from a financial point of view, of the Consideration to be received by the Fission Shareholders pursuant to the Arrangement to Fission Shareholders and does not and should not be construed as a valuation of Fission or Denison (or any of their affiliates) or their respective assets, liabilities or securities or as a recommendation to any Fission Shareholder as to how to vote with respect to the Arrangement or any other matter at the Meeting.

### **Voting Agreements**

On July 27, 2015, Denison entered into the Fission Voting Agreements with all of the directors and officers of Fission and Fission entered into the Denison Voting Agreements with all of the directors and a majority of the officers of Denison. The Fission Voting Agreements set forth, among other things, the agreement of such directors and officers to vote their Fission Shares in favour of the Arrangement and in the case of the Denison Voting Agreements, to vote in favour of, among other things, the issuance of the Consideration Shares. As of the Record Date, 6,482,937 of the outstanding Fission Shares were subject to the Fission Voting Agreements, representing approximately 1.68% of the outstanding Fission Shares, and 2,835,596 Denison Shares were subject to the Denison Voting Agreements, representing approximately 0.5% of the outstanding Denison Shares.

See “*The Meeting – The Arrangement – Voting Agreements*”.

### **Denison and Fission**

#### **Denison**

Denison is a uranium exploration and development company with interests in exploration and development projects in Saskatchewan, Zambia, Mali, Namibia and Mongolia. Denison’s registered and head office is located at 595 Bay Street, Suite 402, Toronto, Ontario, Canada M5G 2C2. Denison expects that it will be relocating its registered and head office to 40 University Ave, Suite 1100, Toronto, Ontario, Canada M5J 1J1 by the end of September 2015.

The Denison Shares are listed for trading on the TSX under the trading symbol “DML” and on the NYSE MKT under the trading symbol “DNN”.

Additional information with respect to the business and affairs of Denison and the Combined Company are set forth in Appendix “E” and Appendix “F”, respectively, to this Circular.

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## **Fission**

Fission is a Canadian based resource company specializing in the strategic exploration and development of the PLS Property - host to the Triple R uranium deposit - and is headquartered in Kelowna, British Columbia.

The Fission Shares are listed for trading on the TSX under the trading symbol "FCU", the OTCQX marketplace in the U.S. under the trading symbol "FCUUF" and on the Frankfurt Stock Exchange under the trading symbol "2FU". See "*Information Concerning Fission*".

## **Unaudited Pro Forma Consolidated Financial Statements of Denison**

The unaudited pro forma consolidated financial statements of Denison that give effect to the Plan of Arrangement are set forth in Appendix "G" to this Circular.

## **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:

- each of the Fission Shareholder Approval and Denison Shareholder Approval having been obtained;
- the Final Order having been 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 Fission;
- conditional approval for listing of the Consideration Shares on the TSX;
- the Key Regulatory Approvals having been obtained;
- the Arrangement Agreement not having been terminated;
- holders of no more than five percent (5%) of the Fission Shares having exercised their Dissent Rights (and not withdrawn such exercise);
- the issuance of the Consideration Shares and the Denison Replacement Options shall be exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof based on the Court's approval of the Arrangement; and
- 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 exemptive relief from securities regulatory authorities in Canada or by virtue of applicable exemptions under Canadian Securities Laws and shall not be subject to resale restrictions under Canadian Securities Laws.

The Arrangement Agreement also provides that the respective obligations of Fission and Denison to complete the Arrangement are subject to the satisfaction or waiver of certain

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additional conditions precedent, including, there having not occurred any Material Adverse Effect in respect of either Fission or Denison.

See “*The Meeting – The Arrangement – The Arrangement Agreement – Conditions to the Arrangement Becoming Effective*”.

### **Non-Solicitation of Acquisition Proposals**

Pursuant to the Arrangement Agreement, each Party has agreed not to solicit, initiate, encourage or facilitate any Acquisition Proposals. However, the Fission Board and Denison Board do have the right to consider and accept a Superior Proposal under certain conditions. Each Party has the right to offer to amend the terms of the Arrangement Agreement in response to any Acquisition Proposal that the board of directors of the other Party has determined is, or is reasonably likely to be or lead to, a Superior Proposal in accordance with the Arrangement Agreement. If either Party accepts a Superior Proposal and terminates the Arrangement Agreement, such Party must pay the other Party the Termination Payment.

See “*The Meeting – The Arrangement – The Arrangement Agreement – Non-Solicitation Covenant*”.

### **Termination of Arrangement Agreement**

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

The Termination Payment is payable by Fission if:

- (i) the Fission Board makes a Change in Recommendation;
- (ii) the Fission Board approves or recommends an Acquisition Proposal;
- (iii) Fission enters into a definitive agreement with respect to a Superior Proposal;
- (iv) at any time prior to receipt of the Fission Shareholder Approval, Fission wishes to enter into a definitive written agreement with respect to a Superior Proposal; or
- (v) the Arrangement Agreement is terminated by either Party as a consequence of Fission Shareholder Approval not being achieved, if, prior to the Meeting, an Acquisition Proposal, or the intention to make an Acquisition Proposal with respect to Fission has been publicly announced and not withdrawn and within 6 months following such termination the Person who made such Acquisition Proposal (a) acquires Fission by takeover bid, arrangement, business combination or otherwise; (b) acquires the assets of Fission that constitute more than 50% of Fission’s consolidated assets, revenue or operating income; (c) acquires more than 50% of the voting or equity securities of Fission; or (d) Fission enters into a definitive agreement in respect of, or the Fission Board approves or recommends a transaction contemplated by (a), (b), or (c) above, with such Person and that transaction is consummated any time thereafter.

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The Termination Payment is payable by Denison if:

- (i) the Denison Board makes a Change in Recommendation;
- (ii) the Denison Board approves or recommends an Acquisition Proposal;
- (iii) Denison enters into a definitive agreement with respect to a Superior Proposal;
- (iv) at any time prior to receipt of the Denison Shareholder Approval, Denison wishes to enter into a definitive written agreement with respect to a Superior Proposal; or
- (v) the Arrangement Agreement is terminated by either Party as a consequence of Denison Shareholder Approval not being achieved, if, prior to the Denison Meeting, an Acquisition Proposal, or the intention to make an Acquisition Proposal with respect to Denison has been publicly announced and not withdrawn and within 6 months following such termination the Person who made such Acquisition Proposal (a) acquires Denison by takeover bid, arrangement, business combination or otherwise; (b) acquires the assets of Denison that constitute more than 50% of Denison's consolidated assets, revenue or operating income; (c) acquires more than 50% of the voting or equity securities of Denison; or (d) Denison enters into a definitive agreement in respect of, or the Denison Board approves or recommends a transaction contemplated by (a), (b), or (c) above, with such Person and that transaction is consummated any time thereafter.

See "*The Meeting – The Arrangement – The Arrangement Agreement – Termination*".

#### **Procedure for Exchange of Fission Shares**

Computershare Investor Services Inc. is acting as the depositary under the Arrangement. The Depositary will receive deposits of certificates representing Fission 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 the cash component of the Consideration to which former Fission Shareholders are entitled under the Arrangement.

At the time of sending this Circular to each Fission Shareholder, Fission is also sending the Letter of Transmittal to each Registered Fission Shareholder. The Letter of Transmittal is for use by Registered Fission Shareholders only and is not to be used by Non-Registered Holders. The exchange of Fission Shares for the Consideration in respect of Non-Registered Holders is expected to be made with the Non-Registered Holders' nominee (bank, trust company, securities broker or other nominee) account through the procedures in place for such purposes between CDS & Co. and such nominee. Non-Registered Holders should contact their nominee if they have any questions regarding this process and to arrange for their nominee to complete the necessary steps to ensure that they receive the Denison Shares and the cash component of the Consideration in respect of their Fission Shares.

The Letter of Transmittal contains instructions with respect to the deposit of certificates representing Fission Shares with the Depositary at its offices in Toronto, Ontario and Vancouver, British Columbia in order to receive certificates representing Denison Shares and

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the cash component of the Consideration to which they are entitled under the Arrangement. Following the Effective Date upon return of a properly completed Letter of Transmittal, together with share certificates representing Fission Shares and such other documents as the Depositary may require, share certificates for the appropriate number of Denison Shares and a cheque in payment of the cash component of the Consideration to which the former Fission Shareholder is entitled under the Arrangement will be sent to the former Fission Shareholder in accordance with the instructions in the Letter of Transmittal.

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

- (a) the share certificates representing their Fission Shares;
- (b) a Letter of Transmittal in the form provided with this Circular, properly completed and duly executed as required by the instructions set out in the Letter of Transmittal; and
- (c) any other documentation 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 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 shall be issued to any former Fission Shareholder. The number of Denison Shares to be issued to a former Fission Shareholder shall be rounded down to the nearest whole Denison Share and such former Fission Shareholder, shall not be entitled to any compensation in respect of such fractional Denison Share. Any cash consideration owing to a former Fission Shareholder shall be rounded up to the next whole cent.

See "*The Meeting – The Arrangement – Procedure for Exchange of Fission Shares*".

### **Cancellation of Rights After Six Years**

If any former Fission Shareholder fails to deliver to the Depositary the certificates, documents or instruments required to be delivered to the Depositary under the Arrangement Agreement in order for such former Fission Shareholder to receive the Consideration which such former holder is entitled to receive on or before the sixth anniversary of the Effective Date, on the sixth anniversary of the Effective Date (i) such former holder will be deemed to have donated and forfeited to Denison or its successors, any Consideration held by the Depositary in trust for such former holder to which such former holder is entitled and (ii) any certificate representing Fission Shares formerly held by such former holder will cease to represent a claim of any nature whatsoever and will be deemed to have been surrendered to Denison and will be cancelled. None of Fission or Denison, or any of their respective successors, will be liable to any person in respect of any Consideration (including any consideration previously held by the Depositary in

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trust for any such former holder) which is forfeited to Fission or Denison or delivered to any public official pursuant to any applicable abandoned property, escheat or similar law. **Accordingly, former Fission Shareholders who deposit with the Depositary certificates representing Fission Shares after the sixth anniversary of the Effective Date will not receive Denison Shares or any other consideration in exchange therefor and will not own any interest in Fission or, Denison, and will not be paid any compensation.**

### **Dissent Rights**

The Interim Order provides that each Registered Fission Shareholder may exercise rights of dissent under Section 190 of the CBCA as modified by the Plan of Arrangement, the Interim Order or the Final Order in respect of the Arrangement, provided that the written objection to the Arrangement Resolution of Fission contemplated by Section 190 of the CBCA must be sent to and received by Fission at least two days before the Meeting. Fission Shareholders who duly exercise such rights of dissent and who:

- (a) are ultimately determined to be entitled to be paid fair value from Denison, for the Dissenting Shares in respect of which they have exercised Dissent Rights, will be deemed to have irrevocably transferred such Dissenting Shares to Denison in consideration of such fair value; or
- (b) are ultimately not entitled, for any reason, to be paid fair value for the Dissenting Shares in respect of which they have exercised Dissent Rights, will be deemed to have participated in the Arrangement on the same basis as a Fission Shareholder who has not exercised Dissent Rights;

but in no case will Fission or Denison or any other person be required to recognize such holders as holders of Fission Shares after the completion of the Arrangement.

The Dissent Rights are set out in their entirety in the Interim Order, the text of which is set out in Appendix "D" to this Circular.

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

### **Income Tax Considerations**

#### ***Summary of Certain Canadian Income Tax Considerations***

Generally, a Fission Shareholder who disposes of their Fission Shares for Denison Shares and cash under the Arrangement will realize a gain (or loss).

Fission Shareholders who are Eligible Shareholders and who make a valid Section 85 Election with Denison may defer recognition of all or part of any gain realized on the disposition of their Fission Shares and the resultant Canadian income tax that would otherwise arise on an exchange of their Fission Shares for Denison Shares and cash under the Arrangement.

Non-Resident Shareholders of Fission Shares will generally not be taxable in Canada with respect to any capital gains generated on the disposition of Fission Shares pursuant to the

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Arrangement so long as such shares do not constitute “taxable Canadian property” as defined in the Tax Act.

A summary of certain Canadian federal income tax considerations in respect of the proposed Arrangement is included under “*Certain Canadian Federal Income Tax Considerations*” and the foregoing is qualified in full by the information in such section, and neither this description nor the longer discussion under “*Certain Canadian Federal Income Tax Considerations*” is intended to be legal or tax advice to any particular Fission Shareholder. **Accordingly, Fission Shareholders should consult their own tax advisors with respect to their particular circumstances.**

See “*Certain Canadian Federal Income Tax Considerations*.”

### ***Summary of Certain U.S. Federal Income Tax Considerations***

The exchange of Fission Shares for Denison Shares and cash pursuant to the Arrangement should qualify as a tax-deferred “reorganization” within the meaning of Section 368(a) of the Code (a “**Reorganization**”) provided that the individual steps of the Arrangement are treated as a single integrated transaction for U.S. federal income tax purposes. However, neither Fission nor Denison has sought or obtained either a ruling from the IRS or an opinion of counsel regarding any of the tax consequences of the Arrangement. Accordingly, there can be no assurance that the IRS will not challenge the qualification of the Arrangement as a Reorganization or that the U.S. courts would uphold the qualification of the Arrangement as a Reorganization in the event of an IRS challenge.

Assuming the Arrangement qualifies as a Reorganization, and subject to special rules applicable to interests in a PFIC, as discussed under “*Certain United States Federal Income Tax Considerations*” below, U.S. Holders should not recognize a gain or loss, except to the extent of the cash received, for U.S. federal income tax purposes on the exchange of Fission Shares for Denison Shares and cash pursuant to the Arrangement. U.S. Holders may, however, be required by the PFIC rules to recognize taxable gain or income subject to tax at ordinary income tax rates and to incur an interest charge on a deemed income deferral benefit, irrespective of whether the Arrangement qualifies as a Reorganization.

This description of U.S. federal income tax consequences of the Arrangement is qualified in its entirety by the longer discussion under “*Certain United States Federal Income Tax Considerations*” below, and neither this description nor the longer discussion is intended to be legal or tax advice to any particular U.S. Holder. **Accordingly, U.S. Holders are urged to consult their own tax advisors with respect to their particular circumstances.**

See “*Certain United States Federal Income Tax Considerations*.”

### **Court Approval of the Arrangement**

The Arrangement requires Court approval under the CBCA. In addition to this approval, the Court will be asked for a declaration following a Court hearing that the Arrangement is fair to the Fission Shareholders. Prior to the mailing of this Circular, Fission obtained the Interim Order providing for the calling and holding of the Meeting, the Dissent Rights and certain other procedural matters. Following receipt of Fission Shareholder Approval, Fission intends to make

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application to the Court for the Final Order at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel may be heard, on October 16, 2015 at the Courthouse, 800 Smithe Street, Vancouver, British Columbia, or at any other date and time as the Court may direct. Blake, Cassels & Graydon LLP, counsel to Fission, has advised that, in deciding whether to grant the Final Order, the Court will consider, among other things, the fairness of the Arrangement to Fission Shareholders.

Any Fission Securityholder who wishes to appear or be represented and to present evidence or arguments at that hearing must file and serve a response to petition no later than 4:00 p.m. (Vancouver time) on October 14, 2015 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 "D" to this Circular 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 Shares and Denison Replacement Options to be received by Fission Shareholders and Fission Optionholders in exchange for their Fission Shares and Fission Options pursuant to the Arrangement. See "*The Meeting – The Arrangement – Court Approval of the Arrangement*".

### **Regulatory Law Matters and Securities Law Matters**

#### ***Stock Exchange Approval***

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

#### ***Competition Act Approval***

The completion of the Arrangement is also subject to the receipt of Competition Act Approval. On August 5, 2015, Denison made an application to the Commissioner of Competition to request the issuance of an advance ruling certificate pursuant to section 102(1) of the Competition Act and a waiver of compliance with the notification requirements of the Competition Act, with respect to the Arrangement. On August 27, 2015, Competition Act Approval was obtained pursuant to the issuance of an advance ruling certificate.

#### ***Canadian Securities Law Matters***

Fission is a reporting issuer in all the provinces in Canada, other than Quebec. The Fission Shares currently trade on the TSX. After the Arrangement, Fission will be a wholly-owned subsidiary of Denison, the Fission Shares will be delisted from the TSX (delisting is anticipated to be effective two or three Business Days following the Effective Date) and Denison expects to

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apply to the applicable Canadian securities regulators to have Fission cease to be a reporting issuer.

The distribution of the Denison 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 received pursuant to the Arrangement 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 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, as the case may be, the selling security holder has no reasonable grounds to believe that Denison, as the case may be, is in default of applicable Canadian Securities Laws.

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

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

#### ***United States Securities Law Matters***

The Denison Shares and Denison Replacement Options to be received by Fission Shareholders and Fission Optionholders in exchange for their Fission Shares and Fission Options 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 Shares outstanding after the Effective Date imposed by the U.S. Securities Act will depend on whether the holder of the Denison Shares is an “affiliate” of Denison after the Effective Date or was an “affiliate” of Denison 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. See “*The Meeting – The Arrangement – Regulatory Law Matters and Securities Law Matters*”.

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. Fission 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.

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THE DENISON SHARES TO WHICH FISSION SHAREHOLDERS WILL BE ENTITLED PURSUANT TO THE ARRANGEMENT HAVE NOT 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 Meeting – The Arrangement – Regulatory Law Matters and Securities Law Matters*”.

### **Risk Factors**

Fission Shareholders should carefully consider the risk factors relating to the Arrangement. Some of these risks 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 Fission; (ii) there can be no certainty that all conditions precedent to the Arrangement will be satisfied; (iii) the issue of Denison Shares under the Arrangement and their subsequent sale may cause the market price of Denison Shares to decline from current or anticipated levels; (iv) Fission and Denison may not realize the benefits currently anticipated due to challenges associated with integrating the operations, technologies and personnel of Fission and Denison; (v) Fission will incur costs even if the Arrangement is not completed, and also may be required to pay the Termination Payment to Denison; (vi) the Termination Payment provided under the Arrangement Agreement may discourage other parties from attempting to acquire Fission; (vii) Fission Shareholders will receive a fixed number of Denison Shares based on a fixed exchange ratio that was determined more than three months before the date of the Meeting and due to share price movement since then, the price of Denison Shares relative to Fission Shares may have changed from the time when the Exchange Ratio was agreed; (viii) the market price for Fission Shares may decline; (ix) directors and officers of Fission have interests in the Arrangement that may be different from those of Fission Shareholders generally; (x) Denison may be unable to pay the Retention Bonus Payments to certain management personnel and there is a risk of loss of such management personnel; (xi) foreign investment risks to Denison that are different than those to which Fission is subject; (xii) the Arrangement is expected to be a taxable transaction for U.S. federal income tax purposes; and (xiii) the PFIC rules may cause the Arrangement to be treated as a taxable transaction for U.S. federal income tax purposes to certain U.S. Holders.

For more information see “*The Meeting – The Arrangement – Risks Associated with the Arrangement*”. Additional risks and uncertainties, including those currently unknown or considered immaterial by Fission, may also adversely affect the Fission Shares, the Denison Shares, and/or the businesses of Fission and Denison, following the Arrangement. In addition to the risk factors relating to the Arrangement set out in this Circular, Fission Shareholders should also carefully consider the risk factors associated with the businesses of Fission and Denison, included in this Circular, including the documents incorporated by reference therein. See “*The Meeting – The Arrangement – Risks Associated with the Arrangement*”, “*Information Concerning Fission*”, and Appendix “E” for a description of these risks.

For more information on the material U.S. federal income tax consequences of the Arrangement see “*Certain United States Federal Income Tax Considerations*”.

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## GENERAL PROXY INFORMATION

### Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the management of Fission for use at the Meeting, to be held on October 14, 2015, at the time and place and for the purposes set forth in the accompanying Notice of Special Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the directors and regular employees of Fission at nominal cost paid by Fission.

Kingsdale has been retained by Fission as proxy solicitation agent. If you have any questions, please contact Kingsdale, toll-free in North America at 1-877-659-1824 or call collect outside North America at 416-867-2272 or by email at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

### How the Vote for the Arrangement Resolution is Approved

At the Meeting, Fission Shareholders will be asked, among other things, to consider and to vote to approve the Arrangement Resolution. To be effective, the Arrangement must be approved by not less than two-thirds of the votes cast by Fission Shareholders voting in person or by proxy at the Meeting and approved by a simple majority of the votes cast at the Meeting in person or by proxy of the holders of Fission Shares, excluding the votes cast in respect of Fission Shares held by Mr. Randhawa and Mr. McElroy and any related parties (as defined by MI 61-101) or joint actors (as defined by MI 61-101), and such other holders of Fission Shares excluded by MI 61-101.

### Who can Vote?

If you are a Registered Fission Shareholder as at September 4, 2015, you are entitled to attend the Meeting and cast a vote for each Fission Share registered in your name on the Arrangement Resolution. If the Fission Shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf, but documentation indicating such officer's authority should be presented at the Meeting. If you are a Registered Fission Shareholder but do not wish to, or cannot, attend the Meeting in person you can appoint someone who will attend the Meeting and act as your proxyholder to vote in accordance with your instructions. If your Fission Shares are registered in the name of a "nominee" (usually a bank, trust company, securities dealer or other financial institution) you should refer to the section entitled "*Non-Registered Holders*" set out below.

It is important that your Fission Shares be represented at the Meeting regardless of the number of Fission Shares you hold. If you will not be attending the Meeting in person, we encourage you to complete, date, sign and return your form of proxy as soon as possible so that your Fission Shares will be represented.

The Notice of Special Meeting and this Circular are being sent to both registered and non-registered owners of Fission Shares. If you are a Registered Shareholder or Canadian Non-Objecting Beneficial Owner ("**CDN NOBO**") of Fission Shares and we have sent these materials to you directly, your name and address and information about your holdings of Fission Shares have been obtained in accordance with applicable securities regulatory requirements from the nominee holding the securities on your behalf. By choosing to send these materials to you

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directly, Fission (and not your nominee) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for VIF.

### **Voting by Registered Shareholders and Canadian Non-Objecting Beneficial Owners (CDN NOBO) of Fission Shares**

As a Registered Fission Shareholder or a CDN NOBO Fission Shareholder, you can vote your shares in the following ways:

<b>In Person</b>	If you are a Registered Fission Shareholder, you can attend the Fission Meeting and register with the transfer agent, Computershare Trust Company of Canada, upon your arrival. Do not fill out and return your form of proxy if you intend to vote in person at the Fission Meeting.
<b>Phone</b>	For Registered Fission Shareholders call 1-866-732-8683 (toll-free in North America) and follow the instructions.  For CDN NOBO Fission Shareholders call 1-866-734-8683 and follow the instructions.  You will need to enter your 15-digit control number. Follow the interactive voice recording instructions to submit your vote.
<b>Fax</b>	1-866-249-7775 (toll-free in North America) or 416-263-9524 (outside North America)
<b>Mail</b>	Enter voting instructions, sign the form of proxy or voting instruction form and send your completed form of proxy or voting instruction form to:  Computershare Investor Services Inc. Attention: Proxy Department 100 University Avenue, 8 <sup>th</sup> Floor Toronto, Ontario M5J 2Y1
<b>Internet</b>	Go to <a href="http://www.investorvote.com">www.investorvote.com</a> . Enter the 15-digit control number printed on the form of proxy or voting instruction form and follow the instructions on screen.
<b>Questions?</b>	Call Kingsdale Shareholder Services at 1-877-659-1824 (toll-free within North America) or 416-867-2272 (collect call outside North America) or email <a href="mailto:contactus@kingsdaleshareholder.com">contactus@kingsdaleshareholder.com</a>

### **Appointment of Proxies**

**If you do not come to the Meeting, you can still make your votes count by appointing someone who will be there to act as your proxyholder at the Meeting. You can appoint the persons named in the enclosed form of proxy, who are each a director or an officer of Fission. Alternatively, you can appoint any other person to attend the Meeting as your proxyholder. Regardless of who you appoint as your proxyholder, you can either instruct that appointee how you want to vote or you can let your appointee decide for**

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you. You can do this by completing a form of proxy. In order to be valid, you must return the completed form of proxy forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting to our transfer agent, Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 or by toll free North American fax number 1-866-249-7775, or by international fax number 1-416-263-9524. The time limit for deposit of proxies may be waived or extended by the Chairman of the Meeting at his discretion, without notice.

### **What is a Form of Proxy?**

A form of proxy is a document that authorizes someone to attend the Meeting and cast your votes for you. We have enclosed a form of proxy with this Circular. You should use it to appoint a proxyholder, although you can also use any other legal form of proxy.

### **Appointing a Proxyholder**

The persons named in the enclosed form of proxy are each a director or an officer of Fission. **A Fission Shareholder who wishes to appoint some other person to represent such Fission Shareholder at the Meeting may do so by crossing out the name on the form of proxy and inserting the name of the person proposed in the blank space provided in the enclosed form of proxy. Such other person need not be a Fission Shareholder.** To vote your Fission Shares, your proxyholder must attend the Meeting. If you do not fill a name in the blank space in the enclosed form of proxy, the persons named in the form of proxy are appointed to act as your proxyholder. Those persons are directors or officers of Fission.

### **Instructing your Proxy and Exercise of Discretion by your Proxy**

You may indicate on your form of proxy how you wish your proxyholder to vote your Fission Shares. To do this, simply mark the appropriate boxes on the form of proxy. If you do this, your proxyholder must vote your Fission Shares in accordance with the instructions you have given.

If you do not give any instructions as to how to vote on a particular issue to be decided at the Meeting, your proxyholder can vote your shares as he or she thinks fit. If you have appointed the persons designated in the form of proxy as your proxyholder they will, unless you give contrary instructions, vote **FOR** the Arrangement Resolution.

Further details about these matters are set out in this Circular. The enclosed form of proxy gives the persons named on it the authority to use their discretion in voting on amendments or variations to matters identified on the Notice of Special Meeting. At the time of printing this Circular, the management of Fission is not aware of any other matter to be presented for action at the Meeting. If, however, other matters do properly come before the Meeting, the persons named on the enclosed form of proxy will vote on them in accordance with their best judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

### **Changing your mind**

If you want to revoke your proxy after you have delivered it, you can do so at any time before the proxy cut-off. You may do this by (a) attending the Meeting and voting in person if you were

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a Registered Fission Shareholder at the Record Date of September 4, 2015; (b) signing a proxy bearing a later date; (c) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to the registered office of Fission at 700-1620 Dickson Avenue, Kelowna, BC V1Y 9Y2, or (d) in any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 4:00 p.m. (Vancouver time) on the last Business Day before the day of the Meeting, or delivered to the person presiding at the Meeting before it commences. If you revoke your proxy and do not replace it with another that is deposited with us before the deadline, you can still vote your shares, but to do so you must attend the Meeting in person.

### **Non-Registered Holders (Canadian Objecting Beneficial Owners and US Beneficial Owners)**

If your Fission Shares are not registered in your own name, they will be held in the name of a “nominee”, usually a bank, trust company, securities dealer or other financial institution and, as such, your nominee will be the entity legally entitled to vote your Fission Shares and must seek your instructions as to how to vote your Fission Shares.

Accordingly, unless you have previously informed your nominee that you do not wish to receive material relating to shareholders’ meetings, you will have received this Circular from your nominee, together with a form of proxy or a request for VIF, as you are a Canadian Objecting Beneficial Owner (“**CDN OBO**”) or a US Beneficial Owner (US Non-Objecting Beneficial Owner (“**US NOBO**”) / US Objecting Beneficial Owner (“**US OBO**”). If that is the case, it is most important that you comply strictly with the instructions that have been given to you by your nominee on the VIF. In addition, Fission’s transfer agent provides both telephone voting and internet voting as fully described on the VIF..

### **Voting by Canadian Objecting Beneficial Owners (CDN OBO)**

As a CDN OBO Fission Shareholder, you can vote your shares in the following ways:

<b>Phone</b>	1-800-474-7493 (English) or 1-800-474-7501 (French) Follow the interactive voice recording instructions to submit your vote.
<b>Fax</b>	(905) 507-7793 or 1-866-623-5305
<b>Internet</b>	Go to <a href="http://www.proxyvote.com">www.proxyvote.com</a> . Enter the 16-digit control number printed on the voting instruction form and follow the instructions on screen.
<b>Questions?</b>	Call Kingsdale Shareholder Services at 1-877-659-1824 (toll-free within North America) or 416-867-2272 (collect call outside North America) or email <a href="mailto:contactus@kingsdaleshareholder.com">contactus@kingsdaleshareholder.com</a>

If you have any questions or need assistance completing your proxy or voting instruction form, please call Kingsdale Shareholder Services at 1-877-659-1824 toll-free in North America, collect at 416-867-2272 outside of North America or email [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).



**Voting by US Beneficial Owners (US Non-Objecting Beneficial Owners (US NOBO) / US Objecting Beneficial Owners (US OBO))**

As a US Beneficial Fission Shareholder, you can vote your shares in the following ways:

<b>Phone</b>	1-800-454-8683 Follow the interactive voice recording instructions to submit your vote.
<b>Internet</b>	Go to <a href="http://www.proxyvote.com">www.proxyvote.com</a> . Enter the 16-digit control number printed on the voting instruction form and follow the instructions on screen.
<b>Questions?</b>	Call Kingsdale Shareholder Services at 1-877-659-1824 (toll-free within North America) or 416-867-2272 (collect call outside North America) or email <a href="mailto:contactus@kingsdaleshareholder.com">contactus@kingsdaleshareholder.com</a>

If you have voted and wish to change your voting instructions, you should contact your nominee to discuss whether this is possible and what procedures you must follow.

If your Fission Shares are not registered in your own name, Fission's transfer agent will not have a record of your name and, as a result, unless your nominee has appointed you as a proxyholder, will have no knowledge of your entitlement to vote. If you wish to vote in person at the Meeting, please insert your own name in the space provided on the form of proxy or VIF that you have received from your nominee. If you do this, you will be instructing your nominee to appoint you as proxyholder. Please adhere strictly to the signature and return instructions provided by your nominee. It is not necessary to complete the form in any other respect, since you will be voting at the Meeting in person. Please register with the transfer agent, Computershare Trust Company of Canada, upon arrival at the Meeting.

**Voting Securities and Principal Holders**

The authorized voting share capital of Fission consists of an unlimited number of Fission Shares. Each holder of Fission Shares is entitled to one vote for each Fission Share registered in his or her name held at the close of business on September 4, 2015, the date fixed by the directors as the record date for determining who is entitled to receive notice of and to vote at the Meeting.

At the close of business on September 4, 2015, there were 386,238,121 Fission Shares outstanding. To the knowledge of Fission's directors and officers, no persons or companies beneficially own, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to all Fission Shares.

Denison has confirmed to Fission that neither Denison nor any of its affiliates held any Fission Shares (or securities convertible into Fission Shares) as at the Record Date.

**THE MEETING – THE ARRANGEMENT**

At the Meeting, Fission Shareholders will be asked to consider and, if thought advisable, to pass, the Arrangement Resolution under the CBCA pursuant to the terms of the Arrangement

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Agreement and the Plan of Arrangement. 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 Fission under its profile on SEDAR at [www.sedar.com](http://www.sedar.com), and the Plan of Arrangement, which is attached to this Circular as Appendix “B”.

In order for the Arrangement to become effective, the Arrangement Resolution must be approved by not less than two-thirds of the votes cast by the Fission Shareholders present in person or by proxy at the Meeting and approved by a simple majority of the votes cast at the Meeting in person or by proxy of the holders of Fission Shares, excluding the votes cast in respect of Fission Shares held by Mr. Randhawa and Mr. McElroy and any related parties (as defined by MI 61-101) or joint actors (as defined by MI 61-101), and such other holders of Fission Shares excluded by MI 61-101. A copy of the Arrangement Resolution is set out in Appendix “A” of this Circular.

Unless otherwise directed, it is management’s intention to vote **FOR** the Arrangement Resolution. If you do not specify how you want your Fission Shares voted, the persons named as proxyholders will cast the votes represented by your proxy at the Meeting **FOR** the Arrangement Resolution.

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. (Toronto time)) on the Effective Date (which is expected to be on or about October 19, 2015).

### **Principal Steps to the Arrangement**

Under the Plan of Arrangement, commencing at the Effective Time, the following principal steps shall occur and shall be deemed to occur without any further act or formality, in the order and timing set out in the Plan of Arrangement:

#### ***Dissent Shares***

- (a) Each Fission Share held by a Dissenting Fission Shareholder shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all Liens, to Denison and thereupon each Dissenting Fission Shareholder shall have the right to be paid the fair value of such holder’s Dissent Shares in accordance with the Plan of Arrangement, and the name of such Dissenting Fission Shareholder shall be removed from the central securities register as a holder of Fission Shares and Denison shall be recorded as the registered and legal owner of such Fission Shares.

#### ***Share Exchange***

- (b) Each outstanding Fission Share (other than Fission Shares held by Denison or any affiliate thereof) will, without further act or formality by or on behalf of a holder of Fission Shares, be irrevocably assigned and transferred by the holder thereof to Denison (free and clear of all Liens) in exchange for 1.26 Denison Shares (subject to adjustment of the Exchange Ratio) and \$0.0001 in cash for each Fission Share held. At such time, the

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holders of such Fission Shares shall cease to be the holders thereof and to have any rights as holders of such Fission Shares other than the right to receive the Consideration and Denison shall be deemed to be the transferee and the legal and beneficial holder of such Fission Shares (free and clear of all Liens). The name of the former Fission Shareholder shall be removed from the central securities register of Fission as a holder of Fission Shares and Denison shall be recorded as the registered holder of the Fission Shares so transferred.

- (c) Each Fission Share held by Denison shall be transferred to Subco in consideration of the issue by Subco to Denison of one common share of Subco for each Fission Share so transferred, and the amount added to the stated capital of the Subco common shares will be equal to the paid up capital (as such term is defined in the Tax Act) of the Fission Shares so transferred.

### ***Fission Options and Warrants***

- (d) Each Fission Option outstanding immediately prior to the Effective Time will be exchanged for a Denison Replacement Option to purchase from Denison the number of Denison Shares equal to the product of the number of Fission Shares subject to the Fission Option immediately before the Effective Time, and the Exchange Ratio, provided that if the foregoing would result in the issuance of a fraction of a Denison Share on any particular exercise of Denison Replacement Options, then the number of Denison Shares otherwise issued shall be rounded down to the nearest whole number of Denison Shares. The exercise price per Denison Share subject to any such Denison Replacement Option shall be an amount (rounded to the nearest fourth decimal place) equal to the quotient of the exercise price per Fission Share under the exchanged Fission Option immediately prior to the Effective Time divided by the Exchange Ratio.
- (e) Each Fission Warrant shall be adjusted in accordance with the adjustment provisions in the relevant warrant certificate or warrant indenture such that following the completion of the Arrangement, each holder of Fission Warrants shall receive, upon exercise thereof, that number of Denison Shares determined in accordance with the Exchange Ratio and the anti-dilution provisions of such Fission Warrants, in lieu of each Fission Share to which it was otherwise entitled to receive upon exercise. Upon any valid exercise of a Fission Warrant after the Effective Time, Denison shall issue the necessary number of Denison Shares.

### ***Fission Amalgamation with Subco***

- (f) Fission and Subco shall amalgamate to form one corporate entity with the same effect as if they had amalgamated under Section 181 of the CBCA, except that the legal existence of Subco shall not cease and Subco shall survive.
- (g) Amalco will own and hold all property of Fission and Subco and all liabilities and obligations of Fission and Subco, whether arising by Contract or otherwise, may be enforced against Amalco to the same extent as if such obligations had been incurred or contracted by it.

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## **Section 85 Election**

- (h) An Eligible Shareholder whose Fission Shares are exchanged for the Consideration pursuant to the Arrangement shall be entitled to make a joint income tax election, pursuant to Section 85 of the Tax Act (and any analogous provision of provincial income tax law) with respect to the exchange. Eligible Shareholders will be able to submit the necessary information electronically and a secure special purpose website will be made available to the Eligible Shareholders to assist with this process. The information to be provided by the Eligible Shareholder will include the number of shares transferred, the transferred properties' adjusted cost base or cost amount, the applicable agreed amounts for the purposes of such election and all other information necessary to complete the Section 85 Election. Denison shall, within 90 days after receiving the electronic submission, and subject to such submission being correct and complete and complying with requirements imposed under the Tax Act (or applicable provincial income tax law), sign and return a copy of a completed Section 85 Election to the Eligible Shareholder for filing with the CRA (or the applicable provincial tax authority). Neither Fission, Denison nor any successor corporation shall be responsible for the proper completion of any joint election form nor, except for the obligation to sign and return duly completed joint election forms which are received within 90 days of the Effective Date, for any Taxes, interest or penalties resulting from the failure of an Eligible Shareholder to properly complete or file such joint election forms in the form and manner and within the time prescribed by the Tax Act (or any applicable provincial legislation). In its sole discretion, Denison or any successor corporation may choose to sign and return a joint election form received by it more than 90 days following the Effective Date, but will have no obligation to do so.
- (i) Upon receipt of a Fission Share Letter of Transmittal in which an Eligible Shareholder has indicated that the Eligible Shareholder intends to make a Section 85 Election Denison will promptly make available through a special purpose website, a tax instruction letter (and a tax instruction letter for the equivalent provincial elections, if applicable) to the Eligible Shareholder.

## **Denison Share Consolidation and Name Change**

At the Denison Meeting, Denison will seek approval to, upon completion of the Arrangement, change its name to "Denison Energy Corp.", or such other name determined by the Denison Board, subject to regulatory approval, and consolidate all of Denison's issued and outstanding common shares on a 2-for-1 the basis, whereby one post-consolidation common share will be exchanged for every two pre-consolidation common shares. Any fractional common share arising on the consolidation will be deemed tendered for cancellation without any payment or compensation in lieu thereof. The share consolidation and the name change will be voted on separately and will require shareholder approval from two thirds of the votes cast by the holders of Denison Shares.

## **Background to the Arrangement**

The Arrangement Agreement is the result of arm's length negotiations among representatives and legal and financial advisors of Denison and Fission. The following is a summary of the background to the execution by Fission of the Arrangement Agreement.

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In April 2013, Denison completed the acquisition of Fission Energy Corp. ("**Fission Energy**"), with Fission Energy spinning out certain assets into a newly-formed publicly traded company (being Fission), by way of a plan of arrangement. Pursuant to this arrangement, Fission Energy shareholders received 0.355 of a Denison Share, a nominal cash payment of \$0.0001 and one common share of the newly-formed publicly traded company (being Fission). Pursuant to this transaction, Denison acquired a portfolio of uranium exploration projects including Fission Energy's 60% interest in the Waterbury Lake uranium project, as well as Fission Energy's exploration interest in all other properties in the eastern part of the Athabasca Basin, its interests in two joint ventures in Namibia, plus its assets in Quebec and Nunavut. The assets of Fission consisted of the remaining assets of Fission Energy, being primarily the 50% interest in the PLS Property.

Following completion of the previous transaction with Fission Energy and Fission, senior management of Denison and Fission engaged in periodic high level discussion regarding their respective businesses and operations. In December 2013 and January 2014, these discussions advanced to the point that Denison and Fission executed a confidentiality agreement dated January 6, 2014 pursuant to which Fission agreed to make certain information available to Denison in light of Denison's consideration of a potential mutually acceptable negotiated transaction. Thereafter, the parties completed high level technical due diligence of each other's material assets. On account of general market conditions and also the desire of each company to continue to separately progress their respective properties being Denison's Wheeler River Project and Fission's PLS Property, the parties determined to discontinue discussions in respect of a possible business transaction. Periodically starting early in 2015, the parties were again engaged in high-level discussions regarding a potential business combination transaction, however for various reasons discussions were discontinued.

On June 22, 2014, the Fission Board entered into a financial advisor engagement agreement with BMO and Dundee pursuant to which BMO and Dundee were engaged as financial advisors to, among other things, assist Fission with an evaluation of its strategic alternatives.

From June 24, 2015 to June 29, 2015, senior management of Denison and Fission engaged in discussions regarding a potential business combination between Denison and Fission. On June 29, 2015, Denison and Fission entered into a confidentiality agreement with respect to the provision of certain non-public information from one party to the other in connection with a potential business combination.

During the week of June 29, 2015, senior management of Denison and Fission together with their legal and certain financial advisors met to negotiate the terms of the proposed business combination. It was subsequently agreed that the business combination would be effected by way of a statutory plan of arrangement pursuant to Section 192 of the CBCA and various terms of the transaction were negotiated and agreed in principal.

On June 30, 2015, counsel to Denison circulated a first draft of the Letter Agreement to Fission's counsel in respect of a proposed arrangement. From July 1, 2015 until July 6, 2015, Fission and Denison, together with their respective legal and financial advisors, negotiated the Letter Agreement in respect of the proposed arrangement as well as the form of Denison Voting Agreements and Fission Voting Agreements.

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On July 3, 2015, the Fission Board met with its legal advisors to discuss the terms of the proposed transaction and to approve the formation of the Special Committee to consider the Arrangement. During the course of its review of the proposed transaction, the Special Committee met a total of 3 times between July 3, 2015 and July 27, 2015. Each member of the Special Committee was in attendance at each meeting. The Special Committee was advised of its legal and fiduciary duties and obligations in connection with its review of the proposed transaction by its legal counsel, Blake, Cassels & Graydon LLP.

On July 6, 2015, the Fission Board entered into a transaction specific engagement agreement with BMO and Dundee. Under the terms of the July 6, 2015 engagement agreement, Dundee agreed to provide financial advisory services to Fission, including an independent opinion as to the fairness from a financial point of view of the Consideration to be received by Fission Shareholders under the Arrangement, and BMO agreed to provide strategic advisory services to Fission.

In the afternoon of July 6, 2015, the Fission Special Committee met to review with its legal counsel the terms of the draft Letter Agreement and to hear the views of the Fission Financial Advisor regarding the fairness of the Arrangement and also to hear the views of the Fission Strategic Advisor. During the meeting Dundee provided its opinion regarding the terms of the transaction, opining that the Consideration to be received by Fission Shareholders pursuant to the Arrangement was fair, from a financial point of view, to Fission Shareholders.

After careful consideration, including a thorough review of the transaction, the verbal opinion of Dundee as to the fairness of the transaction, as well as a thorough review of other matters, including matters discussed with respect to the Letter Agreement, and taking into account the best interests of Fission and the impact on Fission stakeholders, and consultation with its financial, strategic and legal advisors, the Special Committee unanimously concluded that (a) the opinion of Dundee be accepted; and (b) the transaction and the entering into of the Letter Agreement were in the best interests of Fission. The Special Committee then unanimously resolved that it recommend to the Fission Board that the Fission Board (a) determine that the transaction and the Letter Agreement are in the best interests of Fission; (b) approve the entering into of the Letter Agreement; and (c) recommend that the Fission Shareholders vote in favour of the transaction.

Following the meeting of the Special Committee, the Fission Board met to receive the report of the Special Committee and advice from its legal and financial advisors. At the meeting the Fission Board (a) determined that the transaction and the Letter Agreement are in the best interests of Fission, (b) approved the entering into of the Letter Agreement and (c) resolved unanimously to approve the transaction and to recommend that Fission Shareholders vote in favour of the Arrangement.

The Letter Agreement was executed on July 6, 2015 and the terms of the transaction were announced in a joint press release issued by Denison and Fission following the close of trading on the TSX on July 6, 2015.

On July 14, 2015, counsel to Denison circulated a first draft of the Arrangement Agreement to Fission and its legal counsel for their review and comment. From July 14, 2015 up to and including July 27, 2015, certain members of Denison management and Fission, together with

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their respective legal and financial advisors, negotiated and finalized the Arrangement Agreement, the Denison Disclosure Letter and the Fission Disclosure Letter.

On July 27, 2015, immediately prior to the execution of the Arrangement Agreement, each of the Special Committee and the Fission Board met to approve the Arrangement Agreement and to reaffirm their unanimous recommendation that the Fission Shareholders vote in favour of the Arrangement Resolution. The Arrangement Agreement was executed by the Parties in the late evening of July 27, 2015. The execution of the Arrangement Agreement was announced in a joint press release issued by Denison and Fission prior to the open of trading on the TSX on July 28, 2015.

### **Recommendation of the Fission Board**

The Fission Board, after consultation with its financial and legal advisors, has determined that the Arrangement is in the best interests of Fission and is fair to the Fission Shareholders. **Accordingly, the Fission Board recommends that Fission Shareholders vote FOR the Arrangement Resolution.**

All of the directors and officers of Fission intend to vote all of their Fission Shares (including any Fission Shares issued upon the exercise of any Fission Options and Fission Warrants) in favour of the Arrangement Resolution, subject to the terms of the Arrangement Agreement and the Fission Voting Agreements.

### **Reasons for the Arrangement**

The Fission 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 Fission's senior management and its financial and legal advisors. The following is a summary of the principal reasons for the recommendation of the Fission Board that Fission Shareholders vote FOR the Arrangement Resolution:

- **Premium.** Based on the 30-day VWAP of Denison's Shares on the TSX of \$0.99 as at July 3, 2015, the offer implies a price per Fission Share of \$1.25 and represents a premium of approximately 18% to the 30-day VWAP of Fission's Shares on the TSX of \$1.06 as at July 3, 2015.
- **Participation in the Combined Entity.** Risks and uncertainties faced by Fission proceeding on its own with one significant asset are believed to be lessened by the combination of the businesses and assets of Fission and Denison, since Fission will benefit from, among other things, increased technical expertise, greater ability to finance, asset diversification, greater analyst coverage and increased share liquidity.
- **Fairness Opinion.** The Fairness Opinion from the Fission Financial Advisor that, as at the date thereof and subject to and based on the considerations, assumptions and limitations described, the Consideration pursuant to the Arrangement is fair, from a financial point of view, to Fission Shareholders.
- **Acceptance by Directors and Officers.** Pursuant to the Fission Voting Agreements, the directors and officers of Fission have agreed to vote, all of their Fission Shares, including

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any Fission Shares issuable upon exercise of their options in favour of the Arrangement at the Meeting.

- **Ability to Respond to Unsolicited Superior Proposals.** Under the terms of the Arrangement Agreement, the Fission Board is able to respond to any unsolicited bona fide written proposal that, having regard for all of its terms and conditions of such proposal, if consummated in accordance with its terms, may lead to a transaction more favourable to shareholders from a financial point of view than the Arrangement.
- **Exclusivity of Denison.** Under the Arrangement Agreement, Denison is limited in its ability to consider additional interest from third parties. Also, if the Arrangement Agreement is terminated as a result of a Superior Proposal for Denison, Denison must pay the Termination Payment to Fission and under certain circumstances, Denison must reimburse Fission for certain expenses, as described in the Arrangement Agreement.
- **Negotiated Transaction.** The Arrangement Agreement is the result of a negotiation process and includes terms and conditions that are reasonable in the judgment of the Special Committee.
- **Shareholder Approval.** The Arrangement must be approved by not less than two-thirds of the votes cast by Fission Shareholders present in person or represented by proxy at the Meeting and entitled to vote, as a class, plus minority approvals required pursuant to MI 61-101.
- **Regulatory Approval.** The Arrangement must be approved by the Court, which will consider, among other things, the fairness and reasonableness of the Arrangement to Fission Shareholders. The Arrangement Agreement also contains a condition precedent that all regulatory approvals shall be obtained prior to closing.
- **Dissent Rights.** The terms of the Plan of Arrangement provide that registered shareholders who oppose the Arrangement may, upon compliance with certain conditions, exercise dissent rights and, if ultimately successful, receive fair value for their Fission Shares.
- **Combined Management.** Fission will have the benefit of the expertise of certain of Denison's current board and management. In addition to Fission's two senior executives who will continue in their respective roles in the Combined Company, ex-Fission directors will form 50% of the board of directors of the Combined Company.
- **Enhanced Capital Markets Profile.** After completion of the Arrangement, the Combined Company is expected to be one of the largest publicly traded exploration and development companies in the world by market capitalization. Fission believes that this will lead to increased trading liquidity, analyst coverage, index inclusion and global capital markets profile.

In view of the wide variety of factors and information considered in connection with their evaluation of the Arrangement, the Fission Board did not find it practicable to, and therefore did not, quantify or otherwise attempt to assign any relative weight to each specific factor or item of information considered in reaching their conclusions and recommendations. In addition,

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individual members of the Fission Board may have given different weights to different factors or items of information.

### **Fairness Opinion**

Pursuant to an engagement letter dated June 22, 2014, the Fission Board retained Dundee to act as its financial advisor in connection with the Arrangement and any alternative transaction.

Subsequently, the Fission Board requested that Dundee evaluate the fairness, from a financial point of view, of the Consideration to be received by Fission Shareholders pursuant to the Arrangement to the Fission Shareholders. On July 6, 2015, at a meeting of the Fission Board held to evaluate the Arrangement, Dundee delivered a verbal opinion, which was subsequently confirmed by delivery of the written Fairness Opinion. The Fairness Opinion provides that, as of July 6, 2015, based upon and subject to the assumptions, limitations and qualifications set out therein, the Consideration to be received by Fission Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Fission Shareholders. **The full 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 as Appendix “C” to this Circular. Fission Shareholders are urged to, and should, read the Fairness Opinion in its entirety.**

Under the terms of its engagement, Dundee will be paid a fixed fee for delivery of the Fairness Opinion, which is not contingent upon the opinion being favourable, which shall be creditable against any fee associated with the completion of the Arrangement or any alternative transaction. In addition, Fission has agreed to reimburse Dundee and BMO for their reasonable out-of-pocket expenses whether or not the Arrangement is completed and to indemnify Dundee and BMO against certain potential liabilities and expenses arising from its engagement.

Subject to the terms of its engagement, Dundee 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 Dundee and the Fairness Opinion. The Fairness Opinion was provided to the Fission Board for its 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 Dundee's express written consent. The Fairness Opinion addresses only the fairness, from a financial point of view, of the Consideration to be received by Fission Shareholders pursuant to the Arrangement and does not and should not be construed as a valuation of Fission or Denison or their respective assets, liabilities or securities or as a recommendation to any Fission Shareholder as to how to vote with respect to the Arrangement or any other matter at the Meeting.

### **Treatment of Fission Options**

Pursuant to the Arrangement, the Fission Options will be treated as follows:

- (a) Each Fission Option outstanding immediately prior to the Effective Time will be exchanged for a Denison Replacement Option to purchase from Denison the number of Denison Shares equal to the product of the number of Fission Shares subject to the Fission Option immediately before the Effective Time, and the Exchange Ratio, provided that if the foregoing would result in the issuance of a fraction of a Denison Share on any

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particular exercise of Denison Replacement Options, then the number of Denison Shares otherwise issued shall be rounded down to the nearest whole number of Denison Shares. The exercise price per Denison Share subject to any such Denison Replacement Option shall be an amount (rounded to the nearest fourth decimal place) equal to the quotient of the exercise price per Fission Share under the exchanged Fission Option immediately prior to the Effective Time divided by the Exchange Ratio.

- (b) It is intended that the provisions of subsection 7(1.4) of the Tax Act apply to the aforesaid exchange of options. Accordingly, and notwithstanding the foregoing, if required, the exercise price of a Denison Replacement Option will be adjusted such that the In-The-Money Amount of the Denison Replacement Option immediately after the exchange does not exceed the In-The-Money Amount of the Fission Option immediately before the exchange.
- (c) All terms and conditions of a Denison Replacement Option, including the term to expiry, conditions to and manner of exercising, will be the same as the Fission Option for which it was exchanged, and shall be governed by the terms of the Fission Option Plan and any document evidencing a Fission Option shall thereafter evidence and be deemed to evidence such Denison Replacement Option. All Fission Options that are held by a person who will no longer be employed or retained by Fission or Denison following the completion of the Arrangement shall become fully vested upon completion of the Arrangement and remain in full force and effect until the later of December 31, 2015 and the date upon which such Fission Options would expire or terminate in accordance with its terms and the terms of the Fission Option Plan.

### **Approval of Arrangement Resolution**

At the Meeting, the Fission Shareholders 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 CBCA, the Arrangement Resolution must be approved by at least two-thirds of the votes cast on the Arrangement Resolution by Fission Shareholders present in person or represented by proxy at the Meeting and approved by a simple majority of the votes cast at the Meeting in person or by proxy of the holders of Fission Shares, excluding the votes cast in respect of Fission Shares held by Mr. Randhawa and Mr. McElroy and any related parties (as defined by MI 61-101) or joint actors (as defined by MI 61-101), and such other holders of Fission Shares excluded by MI 61-101. Should Fission Shareholders fail to approve the Arrangement Resolution by the requisite majority the Arrangement will not be completed.

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

### **Voting Agreements**

On July 27, 2015, Denison entered into the Fission Voting Agreements with the Fission Locked-up Shareholders, and Fission entered into the Denison Voting Agreements with the Denison

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Locked-up Shareholders. The Voting Agreements set forth, among other things, the agreement of such directors and officers to vote their Fission Shares or Denison Shares, as applicable, in favour of the Arrangement. As of the Record Date, 6,482,937 of the Fission Shares were subject to the Fission Voting Agreements, representing approximately 1.68% of the Fission Shares, and 2,835,596 Denison Shares were subject to the Denison Voting Agreements, representing approximately 0.5% of the Denison Shares.

The Voting Agreements require voting support, prohibit solicitation of an alternative Acquisition Proposal, and impose a contractual hold period on Fission Shares and Denison Shares held by the Locked-up Shareholders expiring upon completion of the Arrangement, or upon earlier termination of the Voting Agreements.

Each Locked-up Shareholder has agreed to vote his or her owned (directly or indirectly) securities of Fission or Denison, as applicable, to the extent he or she 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. Under the terms of the Voting Agreements, Denison and Fission have acknowledged that any Locked-up Shareholder who is also a director or officer of Fission or Denison is bound under the Voting Agreements only in such person's capacity as a securityholder, and not in his or her capacity as a director or officer.

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

Denison has confirmed to Fission that neither Denison nor any of its affiliates held any Fission Shares (or securities convertible into Fission Shares) as at the Record Date.

Fission has confirmed to Denison that neither Fission nor any of its affiliates held any Denison Shares (or securities convertible into Denison Shares) as at the Record Date.

### **Completion of the Arrangement**

The Arrangement will become effective at 12:01 a.m. (Toronto time) on the date following 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 CBCA have been filed with the Director. Completion of the Arrangement is expected to occur on or about October 19, 2015; 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 Fission and Denison in accordance with the terms of the Arrangement Agreement.

### **Procedure for Exchange of Fission Shares**

At the time of sending this Circular to each Fission Shareholder, Fission is also sending the Letter of Transmittal to each Registered Fission Shareholder. The Letter of Transmittal is for use by Registered Fission Shareholders only and is not to be used by Non-Registered Holders.

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The exchange of Fission Shares for the Consideration in respect of Non-Registered Holders is expected to be made with the Non-Registered Holders' nominee (bank, trust company, securities broker or other nominee) account through the procedures in place for such purposes between CDS & Co. and such nominee. Non-Registered Holders should contact their nominee if they have any questions regarding this process and to arrange for their nominee to complete the necessary steps to ensure that they receive the Denison Shares and the cash component of the Consideration in respect of their Fission Shares.

Registered Fission Shareholders are requested to tender to the Depositary any share certificates representing their Fission Shares along with the duly completed Letter of Transmittal. As soon as practicable following the Effective Date, the Depositary will forward to each Registered Fission Shareholder that submitted an effective Letter of Transmittal to the Depositary, together with the certificate or certificates representing the Fission Shares held by such Fission Shareholder immediately prior to the Effective Date, the certificates representing the Denison Shares and a cheque representing the cash component of the Consideration to which the Registered Fission Shareholder is entitled under the Arrangement, to be sent to or at the direction of such Fission Shareholder. Certificates representing the Denison Shares will be registered in such name or names as directed in the Letter of Transmittal and a cheque in payment of the cash component of the Consideration will be either (i) sent to the address or addresses as such Fission 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 Fission Shareholder in the Letter of Transmittal.

A Registered Fission 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 cheque in payment of the cash component of the Consideration to which such Fission Shareholder is entitled pursuant to the Arrangement, by delivering the certificate(s) representing Fission Shares formerly held by it to the Depositary at the office indicated in the Letter of Transmittal at any time prior to the sixth 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 will be registered in such name or names as directed in the Letter of Transmittal and a cheque in payment of the cash component of the Consideration will be either (i) sent to the address or addresses as such Fission 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 Fission Shareholder in the Letter of Transmittal, as soon as practicable after receipt by the Depositary of the required certificates and documents.

If any certificate, which immediately before the Effective Time represented one or more outstanding Fission Shares in respect of which, pursuant to the Arrangement, the holder was entitled to receive 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 Denison Shares to which such Registered Fission Shareholder is entitled pursuant to the Arrangement. When authorizing delivery of certificates representing Denison Shares that a former Fission 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

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Denison, Fission and the Depositary in such amount as Denison, Fission and the Depositary may direct or otherwise indemnify Denison, Fission 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 Fission Shareholder must deliver to the Depositary at the office listed in the Letter of Transmittal:

- (a) the certificates representing their Fission 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 shall be issued to any former Fission Shareholder. The number of Denison Shares to be issued to a former Fission Shareholder shall be rounded down to the nearest whole Denison Share and such former Fission Shareholder shall not be entitled to any compensation in respect of such fractional Denison Share. Any cash consideration owing to a former Fission Shareholder shall be rounded up to the next whole cent.

#### **Cancellation of Rights after Six Years**

If any former Fission Shareholder fails to deliver to the Depositary the certificates, documents or instruments required to be delivered to the Depositary under the Arrangement Agreement in order for such former Fission Shareholder to receive the Consideration which such former holder is entitled to receive on or before the sixth anniversary of the Effective Date, on the sixth anniversary of the Effective Date (i) such former holder will be deemed to have donated and forfeited to Denison or its successors, any Consideration held by the Depositary in trust for such former holder to which such former holder is entitled and (ii) any certificate representing Fission Shares formerly held by such former holder will cease to represent a claim of any nature whatsoever and will be deemed to have been surrendered to Denison and will be cancelled. None of Fission or Denison, or any of their respective successors, will be liable to any person in respect of any Consideration (including any consideration previously held by the Depositary in trust for any such former holder) which is forfeited to Fission or Denison or delivered to any public official pursuant to any applicable abandoned property, escheat or similar law. Accordingly, former Fission Shareholders who deposit with the Depositary certificates

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representing Fission Shares after the sixth anniversary of the Effective Date will not receive Denison Shares or any other consideration in exchange therefor and will not own any interest in Fission or, Denison, and will not be paid any compensation.

### **Effects of the Arrangement on Fission Shareholders' Rights**

Fission Shareholders receiving Denison Shares under the Arrangement will become shareholders of Denison. Denison is an Ontario company governed by the *Business Corporations Act* (Ontario).

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

### **Court Approval of the Arrangement**

An arrangement under the CBCA requires Court approval.

#### ***Interim Order***

On September 14, 2015, Fission 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 "D" to this Circular.

#### ***Final Order***

Subject to the terms of the Arrangement Agreement, and if the Arrangement Resolution is approved by Fission Shareholders at the Meeting in the manner required by the Interim Order, Fission intends to make an application to the Court for the Final Order.

The application for the Final Order approving the Arrangement is currently scheduled for October 16, 2015 at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel may be heard, at the Courthouse, 800 Smithe Street, Vancouver, British Columbia, or at any other date and time as the Court may direct. Any Fission Securityholder or any other interested party who wishes to appear or be represented and to present evidence or arguments at that hearing of the application for the Final Order must file and serve a response to petition no later than 4:00 p.m. (Vancouver time) on October 14, 2015 along with any other documents required, all as set out in the Interim Order and the Notice of Petition, the text of which are set out in Appendix "D" to this Circular, 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 CBCA 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

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substantially on those terms. Depending upon the nature of any required amendments, Fission or Denison may determine not to proceed with the Arrangement.

The Denison Shares and Denison Replacement Options to be received by Fission Shareholders and Fission Optionholders in exchange for their Fission Shares and Fission Options 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 Fission Shareholders and Fission Optionholders 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 Shares and Denison Replacement Options to be received by Fission Shareholders and Fission Optionholders 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 Shares for the Fission Shares and the Denison Replacement Options for the Fission Options pursuant to the Arrangement. See *“The Meeting – The Arrangement – Regulatory Law Matters and Securities Law Matters – United States Securities Law Matters”* below.

For further information regarding the Court hearing and your rights in connection with the Court hearing, see the form of Notice of Hearing of Petition attached at Appendix “D” to this Circular. The Notice of Hearing of Petition constitutes notice of the Court hearing of the application for the Final Order and is your only notice of the Court hearing.

## **Regulatory Approvals**

### *Stock Exchange Approval*

The Fission Shares are listed and posted for trading on the TSX, the OTCQX marketplace in the U.S. and the Frankfurt Stock Exchange 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 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 Fission Options and Fission Warrants after completion of the Arrangement, subject to filing certain documents following the closing of the Arrangement. NYSE MKT approval for the listing of the Denison Shares to be issued or issuable in connection with the Arrangement will be obtained prior to the closing of the Arrangement.

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### *Competition Act Approval*

It is a condition to completion of the Arrangement that the Competition Act Approval shall have been obtained. Competition Act Approval will be obtained if one or more of the following shall have occurred: (i) receipt by Denison of an advance ruling certificate issued by the Commissioner of Competition under Section 102(1) of the Competition Act; or (ii) both of the (A) expiry or termination of the waiting period under Section 123 of the Competition Act or the waiver of the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act under Section 113(c) of the Competition Act, and (B) receipt by Denison of a No-Action Letter on terms satisfactory to each Party, acting reasonably.

On August 5, 2015, Denison made an application to the Commissioner of Competition to request the issuance of an advance ruling certificate pursuant to section 102(1) of the Competition Act and a waiver of compliance with the notification requirement of the Competition Act, with respect to the Arrangement. On August 27, 2015, Competition Act Approval was obtained through the issuance of an advance ruling certificate.

### **Regulatory Law Matters and Securities Law Matters**

Other than the Key Regulatory Approvals, Fission 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, Fission 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 Fission Shareholder Approval 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 October 19, 2015.

### ***Canadian Securities Law Matters***

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

### ***Status under Canadian Securities Laws***

Fission is a reporting issuer in all of the provinces of Canada, other than Quebec. The Fission Shares currently trade on the TSX. After the Arrangement, Fission will be a wholly-owned subsidiary of Denison, the Fission Shares will be delisted from the TSX (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 Fission cease to be a reporting issuer.

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### *Distribution and Resale of Denison Shares under Canadian Securities Laws*

The distribution of the Denison Shares pursuant to the Arrangement will constitute a distribution of securities which 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 received pursuant to the Arrangement 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 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, as the case may be, (iii) no extraordinary commission or consideration is paid to a person or company in respect of such sale, and (iv) if the selling security holder is an insider or officer of Denison, the selling security holder has no reasonable grounds to believe that Denison is in default of applicable Canadian Securities Laws.

### *Multilateral Instrument 61-101*

MI 61-101 is intended to regulate certain transactions to ensure equality of treatment among shareholders, generally requiring enhanced disclosure, approval by a majority of shareholders excluding interested or related parties, independent valuations and, in certain instances, approval and oversight of the transaction by a special committee of independent directors. The protections of MI 61-101 generally apply to "business combinations" (as defined in MI 61-101) that terminate the interests of shareholders without their consent. MI 61-101 provides that, in certain circumstances, where a "related party" of an issuer (as defined in MI 61-101 and including directors, executive officers and shareholders holding over 10% of issued and outstanding shares of the issuer) is entitled to receive a "collateral benefit" (as defined in MI 61-101) in connection with an arrangement (such as the Arrangement), such transaction may be considered a "business combination" for the purposes of MI 61-101 and subject to minority approval requirements.

MI 61-101 excludes from the meaning of "collateral benefit" a payment per security that is identical in amount and form to the entitlement of the general body of holders in Canada of securities of the same class, as well as certain benefits to a related party received solely in connection with the related party's services as an employee or director of an issuer, of an affiliated entity of such issuer or of a successor to the business of such issuer where (a) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the transaction; (b) the conferring of the benefit is not, by its terms, conditional on the related party supporting the transaction in any manner; (c) full particulars of the benefit are disclosed in the disclosure document for the transaction; and (d) either (i) the related party and his or her associated entities beneficially own, or exercise control or direction over, less than 1% of the outstanding securities of each class of equity securities of the issuer, or (ii) the related party discloses to an independent committee of the issuer the amount of consideration that he or she expects to be beneficially entitled to receive, under the terms of the transaction, in exchange for the equity securities he or she beneficially owns and the independent committee acting in good faith determines that the value of the benefit, net of any offsetting costs to the related party, is less than 5% of the value of the consideration the related party will receive pursuant to the terms of

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the transaction for the equity securities it beneficially owns, and the independent committee's determination is disclosed in the disclosure document for the transaction.

The directors and officers of Fission may have interests in the Arrangement that are, or may be, different from, or in addition to, the interests of other Fission Shareholders. These interests include those described below. The Fission Board is aware of these interests and considered them, among other matters, when recommending approval of the Arrangement by Fission Shareholders.

#### *Retention Bonus Payments*

In connection with the Arrangement, and pursuant to the terms of the Arrangement Agreement, Mr. Devinder Randhawa and Mr. Ross McElroy, are each entitled to receive retention bonus payments equal to \$1,227,600 payable in Denison Shares. The number of Denison Shares to be issued as retention bonuses will be valued at the volume weighted average price of the Denison Shares on the TSX for the five (5) days immediately following the Effective Date. In addition, pursuant to the Arrangement Agreement, other Fission employees are entitled to receive retention bonus payments equal to \$1,000,000 in the aggregate, payable in Denison Shares, allocated at the discretion of Fission. Paul Charlish, CFO of Fission, is also entitled to receive a retention bonus payment equal to \$215,061, payable in cash or Denison Shares, at the election of Mr. Charlish. Since Devinder Randhawa and Ross McElroy hold more than 1% of the outstanding Fission Shares (assuming exercise of all Fission Options held), such Retention Bonus Payments they may receive as a consequence of the Arrangement are considered to be "collateral benefits" for the purposes of MI 61-101.

The Retention Bonus Shares issuable in satisfaction of the Retention Bonus Payments, other than in respect of the \$1,000,000 payable to Fission employees, are subject to approval by the Denison Shareholders. If Denison Shareholders do not approve the issuance of such Denison Shares, it is intended that the Retention Bonus Payments referenced in the Arrangement Agreement will be made in such manner as determined by the compensation committee of the Combined Company. In considering alternative forms of payment, the compensation committee will likely consider payment in cash or in a combination of cash and options. However in the event mutually acceptable terms cannot otherwise be agreed to, Mr. Randhawa and Mr. McElroy may elect to terminate their employment agreements and seek change of control payments in the amount of \$1,860,000<sup>1</sup> each.

#### *Minority Approval Requirements*

As a result of the foregoing analysis, the minority approval requirements of MI 61-101 will apply in connection with the Arrangement and in addition to obtaining approval of the Arrangement Resolution by not less than 66 2/3% of the votes cast by the Fission Shareholders who vote either in person or by proxy at the Meeting, approval will also be sought from a majority of the votes cast by the Fission Shareholders who vote either in person or in proxy at the Meeting, excluding the votes of those persons whose votes may not be included in determining minority approval of a "business combination" under MI 61-101.

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<sup>1</sup> This number includes annual bonus payments payable to each of Mr. Randhawa and Mr. McElroy.

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The table below sets forth the votes of interested parties (or related parties of interested parties) excluded for purposes of determining minority approval in accordance with MI 61-101:

<b>Name</b>	<b>Number of Fission Shares to be Excluded</b>
Devinder Randhawa Chief Executive Officer	3,821,903
Ross McElroy President/Chief Operating Officer	1,789,834
Total	5,611,737

### ***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 Fission U.S. Securityholders. All Fission Shareholders in the United States are urged to consult with their own legal counsel to ensure that any subsequent resale of Denison Shares to be received in exchange for their Fission Shares pursuant to the Arrangement complies with applicable securities legislation.

Further information applicable to Fission U.S. Securityholders is disclosed under the heading “*Note to United States Securityholders*”.

The following discussion does not address the Canadian Securities Laws that will apply to the issue of Denison Shares or the resale of these securities within Canada by Fission Shareholders in the United States. Fission Shareholders in the United States reselling their Denison Shares 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 Shares and Denison Replacement Options to be received by Fission Shareholders and Fission Optionholders in exchange for their Fission Shares and Fission Options pursuant to the Arrangement 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 provided by Section 3(a)(10) of the U.S. Securities Act and exemptions provided under the Securities Laws of each state of the United States in which Fission 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 under the U.S. Securities Act 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

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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 Shares and Denison Replacement Options to be received by Fission Shareholders and Fission Optionholders in exchange for their Fission Shares and Fission Options pursuant to the Arrangement.

#### *Resales of Denison Shares After the Effective Date*

The Denison Shares to be received by Fission Shareholders in exchange for their Fission Shares pursuant to the Arrangement will be freely transferable under U.S. federal Securities Laws, except by persons who are “affiliates” of Denison after the Effective Date, or were “affiliates” of Denison 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 Denison Shares by such an affiliate (or, if applicable, former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. Subject to certain limitations, such affiliates (and former affiliates) may immediately resell such Denison Shares outside the United States without registration under the U.S. Securities Act pursuant to Regulation S under the U.S. Securities Act. In addition, such affiliates (and former affiliates) may also resell Denison Shares pursuant to Rule 144, if available.

#### *Resales by Affiliates Pursuant to Rule 144*

In general, pursuant to Rule 144, persons who are “affiliates” of Denison after the Effective Date, or were “affiliates” of Denison within 90 days prior to the Effective Date, will be entitled to sell, during any three-month period, those Denison Shares that they receive pursuant to the Arrangement, provided that 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 required under Rule 144.

#### *Resales by Affiliates Pursuant to Regulation S*

In general, pursuant to Regulation S under the U.S. Securities Act, if at the Effective Date Denison is a “foreign private issuer” (as defined in Rule 3b-4 under the U.S. Exchange Act), persons who are “affiliates” of Denison after the Effective Date, or were “affiliates” of Denison within 90 days prior to the Effective Date, solely by virtue of their status as an officer or director of Denison, may sell their Denison Shares 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

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transaction as agent. For purposes of Regulation S under the U.S. Securities Act, “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 under the U.S. Securities Act, 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 or TSX-V, 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 under the U.S. Securities Act are applicable to sales outside the United States by a holder of Denison Shares who is an “affiliate” of Denison after the Effective Date, or was an “affiliate” of Denison within 90 days prior to the Effective Date, other than by virtue of his or her status as an officer or director of Denison.

#### *Exercise of Denison Replacement Options and Resale of Denison Shares Received upon Exercise of Denison Replacement Options*

The exemption from the registration requirements of the U.S. Securities Act provided by 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 Denison Replacement Options 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 Denison Replacement Options 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 pursuant to any such exercise, Denison may require evidence (which may include an opinion of counsel) reasonably satisfactory to Denison to the effect that the issuance of such Denison Shares does not require registration under the U.S. Securities Act or applicable state securities laws.

Denison Shares received upon exercise of the Denison Replacement Options, 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 from such registration requirements is available.

#### **Fees and Expenses**

All expenses incurred in connection with the Arrangement and the transactions contemplated thereby shall be paid by the Party incurring such expense. The estimated fees, costs and expenses of Fission in connection with the Arrangement, including without limitation, financial advisors’ fees, filing fees, legal and accounting fees, and printing and mailing costs, are anticipated to be approximately \$2,200,000, based on certain assumptions. See also “*The Meeting – The Arrangement – The Arrangement Agreement – Termination – Expense Reimbursement*” below.

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## **Interests of Certain Persons in the Arrangement**

In considering the recommendation of the Fission Board with respect to the Arrangement, Fission Shareholders should be aware that certain members of Fission's senior management and the Fission 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, 871,200 Fission Shares, representing approximately 0.23% of the Fission Shares outstanding on the Record Date. Such directors hold, in the aggregate, 6,985,000 Fission Options, representing approximately 20.80% of the Fission Options outstanding on the Record Date. As of the Record Date, no such director held any Fission Warrants. All of the Fission Shares and Fission Options held by the directors will be treated in the same fashion under the Arrangement as Fission Shares and Fission Options held by every other Fission Shareholder and Fission Optionholder, respectively.

Consistent with standard practice in similar transactions, in order to ensure that these directors do not lose or forfeit their protection under liability insurance policies maintained by Fission, the Arrangement Agreement provides for the maintenance of such protection for six years. See *"The Meeting – The Arrangement – Interests of Certain Persons in the Arrangement – Indemnification and Insurance"* below.

### ***Executive Officers***

The current responsibility for the general management of Fission is held and discharged by a group of three executive officers. The executive officers of Fission are as follows:

<b>Name</b>	<b>Position</b>	<b>Fission Shares</b>	<b>Fission Options</b>
Devinder Randhawa	Chief Executive Officer	3,821,903	4,366,667
Ross McElroy	President/Chief Operating Officer	1,789,834	4,353,333
Paul Charlish	Chief Financial Officer	Nil	1,195,000

The executive officers of Fission hold, in the aggregate, 5,611,737 Fission Shares, representing approximately 1.45% of the Fission Shares as of the Record Date. Such executive officers hold, in the aggregate, 9,915,000 Fission Options, representing approximately 29.53% of the Fission Options as of the Record Date. None of the executive officers of Fission held any Fission Warrants as of the Record Date. All of the Fission Shares and Fission Options held by the executive officers of Fission will be treated in the same fashion under the Arrangement as Fission Shares and Fission Options held by every other Fission Shareholder and Fission Optionholder, respectively.

In order to comply with MI 61-101, a simple majority of disinterested Fission Shareholders, present either in person or by proxy at the Meeting, must cast votes in favour of the

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Arrangement Resolution. To the best knowledge of the Fission Board, it is estimated that 5,611,737 Fission Shares held by Mr. Randhawa and Mr. McElroy will be excluded from the simple majority vote required under MI 61-101.

### ***Indemnification and Insurance***

Pursuant to the Arrangement Agreement, Denison has covenanted that prior to the Effective Date it shall, or shall cause Fission to, purchase customary “run-off” policies of directors’ and officers’ liability insurance providing protection for those directors and officers of Denison and Fission who are resigning as of the Effective Date no less favourable in the aggregate to the protection provided by the policies maintained by Denison and Fission 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 and Denison and Fission will maintain such “run-off” policies in effect without any reduction in scope or coverage for six (6) years from the Effective Date.

Denison and Fission have agreed that they will honour all rights to indemnification or exculpation existing in favour of present and former officers and directors of Denison and Fission and acknowledged that such rights shall survive the completion of the Plan of Arrangement and shall continue in full force and effect for a period of not less than six (6) years from the Effective Date.

### **The Arrangement Agreement**

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 and may be found under Fission’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### ***Effective Date and Conditions of Arrangement***

If the Arrangement Resolution is passed, the Final Order of the Court is obtained approving the Arrangement, every requirement of the CBCA relating to the Arrangement has been complied with and all other conditions disclosed under “*The Meeting – 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. (Toronto time) on the Effective Date. It is currently expected that the Effective Date will be on or about October 19, 2015.

### ***Representations and Warranties***

The Arrangement Agreement contains representations and warranties made by Fission to Denison and representations and warranties made by Denison to Fission. Those representations and warranties were made solely for 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. Some of the representations and warranties are subject to a contractual standard of materiality or Material Adverse Effect different from that generally applicable to public disclosure to Fission Shareholders, or are used for the purpose of allocating risk between the parties to the Arrangement Agreement. For the foregoing reasons,

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you should not rely on the representations and warranties contained in the Arrangement Agreement as statements of factual information at the time they were made or otherwise.

The representations and warranties provided by Fission in favour of Denison relate to, among other things: (a) the due incorporation, existence and capacity to conduct the business of Fission; (b) that Fission has no subsidiaries; (c) the qualification to do business in all jurisdictions in which Fission conducts business activities; (d) no act or proceedings by or against Fission in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of Fission; (e) the authority to enter into the Arrangement Agreement and enforceability of the Arrangement Agreement; (f) the execution and delivery of the Arrangement Agreement, performance by Fission of its obligations thereunder and completion of the transactions contemplated thereunder will not: (i) result in a violation, conflict with or breach of Fission's constating documents, material agreements or law to which Fission is subject, (ii) give rise to a right of termination or acceleration of indebtedness under any material Contracts or Authorizations, (iii) result in the creation or imposition of any Encumbrances upon material properties or assets of Fission, or (iv) give rise to any rights of first refusal or trigger any change of control provisions under any material Contracts or Authorizations; (g) the Key Regulatory Approvals are the only consents and approvals of any Governmental Entity that is required to be obtained by Fission in connection with the execution and delivery of the Arrangement Agreement and completion of the transactions contemplated thereunder; (h) that Fission is not a party to any joint venture agreement; (i) the capitalization of Fission; (j) the absence of a cease trade order against its securities, Fission's reporting issuer status and Fission having made all required filings under applicable Securities Laws with the Securities Authorities and such filings not containing any untrue statement of a material fact or omitting to state a material fact; (k) the completeness and accuracy of the minute books of Fission; (l) the financial statements of Fission; (m) the absence of material changes; (n) Fission's internal controls and financial reporting; (o) Fission's work programs; (p) flow-through tax matters; (q) the absence of undisclosed liabilities; (r) the due payment of Taxes and proper filing of Tax Returns, the absence of Tax-related Claims or proceedings against Fission, and other Tax-related matters; (s) the existence of related party transactions; (t) the fees and commissions of brokers, bankers, and advisors in connection with the contemplated transaction; (u) the existence and maintenance of insurance policies of Fission; (v) Fission having all required Permits and Authorizations and being in compliance under such Permits and other Authorizations; (w) compliance with applicable Laws; (x) ownership of the property and mineral rights of Fission; (y) compliance with NI 43-101; (z) compliance with environmental regulations; (aa) the absence of any judgment or order restricting the business activities of Fission; (bb) employee benefits; (cc) labour and employment matters; (dd) absence of arrangements with respect to Denison and its securityholders; and (ee) the receipt of the Fairness Opinion and subsequent approval and recommendation of the Arrangement by the Fission Board.

The representations and warranties provided by Denison in favour of Fission relate to, among other things: (a) the due incorporation, existence and capacity to conduct the business of Denison; (b) the qualification to do business in all jurisdictions in which Denison and its subsidiaries conducts business activities; (c) no act of proceedings by or against Denison or its subsidiaries in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of Denison or its subsidiaries; (d) the authority to enter into the Arrangement Agreement and enforceability of the Arrangement Agreement; (e) the execution and delivery of the Arrangement Agreement, performance by Denison of its obligations thereunder and

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completion of the transactions contemplated thereunder will not: (i) result in a violation, conflict with or breach of Denison's constating documents, material agreements or law to which Denison or its material subsidiaries is subject, (ii) give rise to a right of termination or acceleration of indebtedness under any material Contracts or Authorizations, (iii) result in the creation or imposition of any Encumbrances upon material properties or assets of Denison or its material subsidiaries or (iv) give rise to any rights of first refusal or trigger any change of control provisions under any material Contracts or Authorizations; (f) the Key Regulatory Approvals are the only consents and approvals of any Governmental Entity that is required to be obtained by Denison or its subsidiaries in connection with the execution and delivery of the Arrangement Agreement and completion of the transactions contemplated thereunder; (g) no approval or consent of any counterparty to any joint venture agreement to which Denison or any of its subsidiaries are party; (h) the capitalization of Denison; (i) the due and valid issuance of Denison Shares issuable as part of the Arrangement; (j) the absence of a cease trade order against its securities, Denison's reporting issuer status and Denison having made all required filings under applicable Securities Laws with the Securities Authorities and such filings not containing any untrue statement of a material fact or omitting to state a material fact; (k) the completeness and accuracy of the minute books and records of Denison; (l) the financial statements of Denison; (m) the absence of material changes; (n) Denison's internal controls and financial reporting; (o) Denison's work programs; (p) flow-through tax matters; (q) the absence of undisclosed liabilities; (r) the due payment of Taxes and proper filing of Tax Returns, the absence of Tax-related Claims or proceedings against Denison, and other Tax-related matters; (s) the existence of related party transactions; (t) the fees and commissions of brokers, bankers, and advisors in connection with the contemplated transaction; (u) the existence and maintenance of insurance policies of Denison and its subsidiaries; (v) Denison and its material subsidiaries having all required Permits and Authorizations and being in compliance under such Permits and other Authorizations; (w) compliance with applicable Laws; (x) ownership of the property and mineral rights of Denison and its Material Subsidiaries; (y) compliance with NI 43-101; (z) compliance with environmental regulations; (aa) the absence of any judgment or order restricting the business activities of Denison and its subsidiaries; (bb) employee benefits; (cc) labour and employment matters; (dd) absence of arrangements with respect to Fission and its securityholders; and (ee) the receipt of the Denison Fairness Opinion and subsequent approval and recommendation of the Arrangement by the Denison Board.

### ***Conditions to the Arrangement Becoming Effective***

In order for the Arrangement to become effective, certain conditions must have been satisfied or waived which conditions are summarized below.

#### ***Mutual Conditions***

The respective obligations of Fission 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) the Fission Shareholder Approval shall have been obtained at the Meeting in accordance with the Interim Order;
- (b) the Denison Shareholder Approval shall have been obtained at the Denison Meeting;

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- (c) each of the Interim Order and the Final Order shall have been obtained on terms consistent with the Arrangement Agreement, and shall not have been set aside or modified in a manner unacceptable to Fission or Denison, acting reasonably, on appeal or otherwise;
- (d) there shall have been no action taken under any applicable Law or by any Governmental Entity which make it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the completion of the Arrangement;
- (e) the Key Regulatory Approvals shall have been obtained;
- (f) the distribution of the securities pursuant to the Arrangement shall be exempt from the prospectus and registration requirements of applicable Canadian Securities Laws;
- (g) the Consideration Shares and the Denison Replacement Options shall be exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof based on the Court's approval of the Arrangement; and
- (h) the Arrangement Agreement shall not have been terminated in accordance with its terms.

The foregoing conditions are for the mutual benefit of the parties and may be waived by mutual consent of Fission and Denison in writing at any time.

#### *Denison Conditions*

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

- (a) all covenants of Fission under the Arrangement Agreement to be performed on or before the Effective Time which have not been waived by Denison shall have been duly performed by Fission in all material respects and Denison shall have received a certificate of Fission addressed to Denison and dated the Effective Date, signed on behalf of Fission by two of its senior executive officers, confirming the same as of the Effective Date;
- (b) the representations and warranties of Fission set forth in the Arrangement Agreement shall be true and correct in all respects, without regard to any materiality or Material Adverse Effect qualifications contained in them as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not reasonably be expected to have a Material Adverse Effect, provided however that it is understood and agreed that the representations and warranties set out in paragraphs (a) (due incorporation), (i) (capitalization), (q) (absence of undisclosed liabilities) and (x) (mineral rights) of Schedule D of the Arrangement Agreement must be true and correct in all respects when made on

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and as of the Effective Date, and Denison shall have received a certificate of Fission addressed to Denison and dated the Effective Date, signed on behalf of Fission by two senior executive officers of Fission, confirming the same as at the Effective Time;

- (c) there shall not have occurred a Material Adverse Effect that has not been publicly disclosed by Fission prior to the date hereof or disclosed to Denison in writing prior to the date hereof, and since the date of the Arrangement Agreement, there shall not have occurred a Material Adverse Effect, and Denison shall have received a certificate signed on behalf of Fission by two senior executive officers of Fission to such effect;
- (d) there shall be no suit, action or proceeding by any Governmental Entity or any other Person that has resulted in an imposition of material limitations on the ability of Denison to acquire or hold, or exercise full rights of ownership of, any Fission Shares;
- (e) Denison shall have received all of the Fission Voting Agreements executed by the Fission Locked-up Shareholders and all covenants of the Fission Locked-up Shareholders under the Fission Voting Agreement to be performed on or before the Effective Time which have not been waived by Denison shall have been duly performed by the parties thereto (other than Denison) in all material respects;
- (f) there shall have been no cash distributions, material compensation adjustments or any grant of equity interests from the date of the Arrangement Agreement to the Effective Time, except as permitted by the Arrangement Agreement; and
- (g) holders of no more than five percent (5%) of the Fission Shares shall have exercised Dissent Rights.

The foregoing conditions are for the exclusive benefit of Denison and may be waived by Denison in whole or in part at any time.

#### *Fission Conditions*

The obligations of Fission to complete the transactions contemplated by the Arrangement Agreement is subject to the fulfillment of the following additional conditions on or before the Effective Date or such other time as is specified below:

- (a) all covenants of Denison under the Arrangement Agreement to be performed on or before the Effective Time which have not been waived by Fission shall have been duly performed by Denison in all material respects and Fission shall have received a certificate of Denison addressed to Fission and dated the Effective Date, signed on behalf of Denison by two of its senior executive officers, confirming the same as of the Effective Date;
- (b) the representations and warranties of Denison set forth in the Arrangement Agreement shall be true and correct in all respects, without regard to any materiality or Material Adverse Effect qualifications contained in them as of the

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Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not reasonably be expected to have a Material Adverse Effect, provided however that it is understood and agreed that the representations and warranties set out in paragraphs (a) (due incorporation), (h) (capitalization), (q) (absence of undisclosed liabilities) and (x) (mineral rights) of Schedule E of the Arrangement Agreement must be true and correct in all respects when made on and as of the Effective Date, and Fission shall have received a certificate of Denison addressed to Fission and dated the Effective Date, signed on behalf of Denison by two senior executive officers of Denison, confirming the same as at the Effective Time;

- (c) there shall not have occurred a Material Adverse Effect that has not been publicly disclosed by Denison prior to the date hereof or disclosed to Fission in writing prior to the date hereof, and since the date of the Arrangement Agreement, there shall not have occurred a Material Adverse Effect, and Fission shall have received a certificate signed on behalf of Denison by two senior executive officers of Denison to such effect;
- (d) Fission shall have received from Denison satisfactory evidence of the conditional approval for listing of the Consideration Shares from the TSX, subject only to customary listing conditions of the TSX;
- (e) Denison shall have complied with its obligations to deposit the Consideration with the Depositary and the Depositary shall have confirmed receipt of the Consideration contemplated thereby;
- (f) each of the directors and officers of Denison, who are not continuing on as directors or officers following the completion of the Arrangement, shall have provided their resignations (in the case of directors, in a manner that allows for the orderly replacement of directors), effective at the Effective Time, each in form and substance and on such terms as are satisfactory to Fission, acting reasonably;
- (g) Fission shall have received from Denison certified copies of resolutions passed by the Denison Board approving the appointment of the reconstituted Denison Board and management team, effective at the Effective Time, in form and substance satisfactory to Fission, acting reasonably;
- (h) Fission shall have received all of the Denison Voting Agreements executed by the Denison Locked-up Shareholders and all covenants of the Denison Locked-up Shareholders under the Denison Voting Agreement to be performed on or before the Effective Time which have not been waived by Fission shall have been duly performed by the parties thereto (other than Fission) in all material respects; and
- (i) there shall have been no cash distributions, material compensation adjustments

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or any grant of equity interests from the date of the Arrangement Agreement to the Effective Time, except as provided in the Arrangement Agreement.

The foregoing conditions are for the exclusive benefit of Fission and may be waived by Fission in whole or in part at any time.

### ***Covenants of Fission***

#### ***Covenants relating to Conduct of Business***

Fission has made certain covenants intended to ensure that Fission shall carry on business until the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms in the ordinary course of business consistent with past practice, except as required or permitted by the Arrangement Agreement. These covenants include, among other things:

- (a) use commercially reasonable efforts to preserve intact its present business organization, assets and goodwill, and maintain its real property interests in good standing;
- (b) not:
  - i. issue or otherwise encumber any Fission Shares or any securities convertible into Fission Shares (other than pursuant to the exercise of outstanding Fission Options or Fission Warrants) or amend, extend or terminate any of the terms of any of the outstanding Fission Options or Fission Warrants;
  - ii. amend its articles or by-laws, or, split, consolidate, reclassify or undertake any other capital reorganization of any of the Fission Shares or any other Fission securities or Fission share capital;
  - iii. declare, set aside or pay any dividend or other distribution in respect of the Fission Shares, redeem or purchase any outstanding securities of Fission or adopt a plan of liquidation;
  - iv. sell, pledge, lease, dispose of or encumber any assets, rights or properties;
  - v. acquire any company or assets of any other person;
  - vi. make any other material change to its business or affairs;
  - vii. enter into any joint venture or similar agreement;
  - viii. incur any indebtedness, issue any debt securities or make any loans;
  - ix. pay or discharge any material liabilities;
  - x. modify in any material respect any existing Contract or other material document;

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- xi. subject to certain exceptions, enter into or modify any employment or consulting agreements, or grant any bonuses, salary or fee increases, severance or termination pay;
  - xii. enter into any shareholder rights plan;
  - xiii. take any action or fail to take any action which would result in the loss of any benefit under any material Authorizations;
  - xiv. fail to file any Tax Returns or pay any taxes; or
  - xv. take any action that could reasonably be expected to interfere with or be inconsistent with the completion of the Arrangement or the transactions contemplated in the Arrangement Agreement.
- (c) use commercially reasonable efforts to maintain its current insurance policies; and
- (d) notify Denison of any circumstances or development that could reasonably be expected to constitute a Material Adverse Effect.

#### *Covenants relating to the Arrangement*

Fission has also agreed with Denison that it will perform all obligations required or desirable to be performed by Fission 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) apply for and use its commercially reasonable efforts to obtain all Key Regulatory Approvals relating to Fission which are typically applied for by an offeree and, in doing so, keep Denison reasonably informed as to the status of the proceedings related to obtaining the Key Regulatory Approval;
- (b) defend all lawsuits or other legal, regulatory or other proceedings against Fission challenging or affecting the Arrangement Agreement or the consummation of the transactions contemplated thereby;
- (c) not take any action that is intended to, or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or materially impede the ability of Fission to consummate the Arrangement or the other transactions contemplated by the Arrangement Agreement;
- (d) 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 information reasonably requested by Denison for the purposes of preparing, considering and implementing integration and strategic plans for the combined businesses of Denison and Fission following the Effective Date and confirming the representations and warranties of Fission set out in the Arrangement

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Agreement;

- (e) not pay an amount exceeding the amount specified in the Letter Agreement to the Fission Financial Advisor and the Fission Strategic Advisor in connection with the Arrangement; and
- (f) use commercially reasonable efforts to cause each of its employees to enter into new employment agreements with Denison Energy Corp. to take effect on the Effective Date.

### ***Covenants of Denison***

#### ***Covenants relating to Conduct of Business and the Arrangement***

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 so such other things required to consummate the Arrangement. These covenants are substantially similar to the covenants that Fission has provided to Denison.

#### ***Non-Solicitation Covenant***

Fission and Denison have covenanted and agreed that, except as otherwise provided in the Arrangement Agreement, Fission and Denison shall not, directly or indirectly:

- (a) make, solicit, initiate, entertain, encourage, promote or facilitate, (including by way of furnishing information, permitting any visit to its facilities or properties or entering into any form of agreement, arrangement or understanding) any inquiries or the making of any proposals regarding an Acquisition Proposal or that may be reasonably be expected to lead to an Acquisition Proposal;
- (b) participate, directly or indirectly, in any discussions or negotiations regarding, or furnish to any Person any information or otherwise co-operate with, respond to, assist or participate in any Acquisition Proposal or potential Acquisition Proposal, provided however that a Party may communicate and participate in discussions with a third party for the purpose of (A) clarifying the terms of any proposal in order to determine if it may reasonably be expected to result in a Superior Proposal; and (B) advising such third party that an Acquisition Proposal does not constitute a Superior Proposal and cannot reasonably be expected to result in a Superior Proposal;
- (c) remain neutral with respect to, or agree to, approve or recommend any, Acquisition Proposal or potential Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal until five (5) Business Days following formal announcement of such Acquisition Proposal shall not be considered to be a violation);
- (d) withdraw, modify, qualify or change in a manner adverse to any other Party, or publicly propose to or publicly state that it intends to withdraw, modify, qualify or change in a manner adverse to the other Party, the approval, recommendation or declaration of advisability of its board of directors or any committee thereof of the

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Arrangement Agreement or the Arrangement (a “**Change in Recommendation**”) (it being understood that failing to affirm the approval or recommendation of its board of directors of the Arrangement Agreement or the Arrangement within five (5) Business Days after an Acquisition Proposal relating to such Party has been publicly announced shall be considered to be an adverse modification;

- (e) enter into any agreement, arrangement or understanding related to any Acquisition Proposal or requiring it to abandon, terminate or fail to consummate the Arrangement or providing for the payment of any break, termination or other fees or expenses to any Person in the event that the Arrangement is completed or in the event that it completes any other transaction with the other Party or with an affiliate of the other Party that is agreed to prior to any termination of the Arrangement Agreement; or
- (f) make any public announcement or take any other action inconsistent with the recommendation of its board of directors to approve the Arrangement.

Each of Fission and Denison have also covenanted that they shall immediately cease and cause to be terminated any solicitation, encouragement, activity, discussion or negotiation with any parties that may be ongoing with respect to an Acquisition Proposal whether or not initiated by such Party, and each Party shall request the return of information regarding such Party and its respective subsidiaries previously provided to such parties and shall request the destruction of all materials including or incorporating any confidential information regarding such Party and its subsidiaries. Each Party agrees not to release any third party from any confidentiality agreement relating to a potential Acquisition Proposal to which such third party is a party. Each Party further agrees not to release any third party from any standstill or similar agreement or obligation to which such third party is a party or by which such third party is bound it being understood and agreed that the automatic termination of a standstill provision due to the announcement of the Arrangement or the entry into the Arrangement Agreement shall not be a violation of the non-solicitation provisions in the Arrangement Agreement.

Notwithstanding the above or any other provisions of the Arrangement Agreement, the board of directors of a Party (in this paragraph, the “**Solicited Party**”) may consider, participate in any discussions or negotiations with and provide information to, any Person who has delivered a written Acquisition Proposal, provided that:

- (a) it was not solicited or encouraged by the Solicited Party after the date of the Arrangement Agreement;
- (b) it did not otherwise result from a breach of the Arrangement Agreement by the Solicited Party and that its board of directors determines in good faith after consultation with its financial advisor and outside legal counsel that such Acquisition Proposal may reasonably be expected to lead to a Superior Proposal;
- (c) prior to taking any such action the board of directors of the Solicited Party determines in good faith, after consultation with outside counsel that it is necessary to take such action in order to discharge properly its fiduciary duties, and
- (d) if the Solicited Party provides confidential non-public information to such Person, the

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Solicited Party obtains a confidentiality and standstill agreement from the Person making such Acquisition Proposal.

Each Party shall promptly notify the other Party, at first orally and then in writing, of any Acquisition Proposal, including a description of the terms and conditions of any Acquisition Proposal and the identity of the Person making such proposal.

#### *Right to Match*

Each Party has agreed that it will not enter into a definitive agreement in respect of a Superior Proposal unless such Party (in this section, the “**Terminating Party**”) has provided the other Party with the Superior Proposal and documents required to be provided to the other Party as mentioned above, delivered a written notice to the other Party that the Terminating Party has resolved to approve a Superior Proposal, has determined to recommend such Superior Proposal, and a period of five (5) Business Days has elapsed from the date on which the other Party receives notice of the Superior Proposal and all relating documents.

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

If the other Party does not offer to amend the terms of the Arrangement Agreement during the five Business Day period or the board of directors of the Terminating Party 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 the other Party’s proposal to amend the Arrangement Agreement, and therefore rejects the other Party’s offer to amend the Arrangement Agreement, the Terminating Party shall be entitled to terminate the Arrangement Agreement and enter into the proposed agreement in respect of such Superior Proposal upon payment to the other Party 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, each of Denison and Fission have agreed to provide each other with reasonable access to data and information as the other may reasonably request, provided that such information shall be subject to the terms and conditions of the existing Confidentiality Agreement between Denison and Fission.

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## **Other Covenants**

### *Insurance and Indemnification*

Denison shall, or shall cause Fission to, purchase customary "run-off" policies of directors' and officers' liability insurance providing protection for those directors and officers of Denison and Fission who are resigning as of the Effective Date no less favourable in the aggregate to the protection provided by the policies maintained by Denison and Fission 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 and Denison and Fission will maintain such "run-off" policies in effect without any reduction in scope or coverage for six (6) years from the Effective Date.

Denison and Fission have further agreed that they will directly honour all rights to indemnification or exculpation now existing in favour of present and former officers and directors of Denison and Fission for a period of not less than six (6) years from the Effective Date.

### **Termination**

The Arrangement Agreement may be terminated prior to the Effective Time in certain circumstances (many of which lead to payment of the Termination Payment), including:

1. by mutual written agreement of Denison and Fission;
2. either Denison or Fission may terminate the Arrangement Agreement, if
  - a. the Effective Time shall not have occurred on or before the Outside Date, except the right to terminate the Arrangement Agreement under this provision shall not be available to any Party whose failure to fulfil any of its obligations or who has breached any of its covenants, representations and warranties under the Arrangement Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur by the Outside Date; provided however, that if completion of the Arrangement is delayed by (i) an injunction or order made by a Governmental Entity of competent jurisdiction, or (ii) Denison or Fission not having obtained any regulatory waiver, consent or approval (including the Key Regulatory Approvals) which is necessary to permit the completion of the Arrangement, 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, neither Party shall be entitled to terminate the Arrangement Agreement until the earlier of November 30, 2015 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. any Governmental Entity shall have issued an order, decree or ruling or there shall be enacted or made any applicable Law that makes consummation of the Arrangement illegal or otherwise prohibited or otherwise restrains, enjoins or prohibits Fission or Denison from consummating the Arrangement (unless such order, decree, ruling or applicable Law has been withdrawn, reversed or otherwise made inapplicable) and such order, decree, ruling or applicable Law or

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enjoinment shall have become final and non-appealable;

- c. Fission Shareholder Approval shall not have been obtained at the Meeting; or
- d. Denison Shareholder Approval shall not have been obtained at the Denison Meeting.

3. By Denison, if:

- a. (1) the Fission Board shall have made a Change in Recommendation; (2) the Fission Board shall have approved or recommended an Acquisition Proposal, or (3) Fission shall have entered into a definitive agreement with respect to a Superior Proposal;
- b. Fission is in default of any material covenant or obligation or in breach of any representation or warranty, in any material respect under the Arrangement Agreement (except for such inaccuracies in the representations and warranties, which individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect or materially delay or prevent the consummation of the transactions contemplated in the Arrangement Agreement) which has not been cured within three (3) Business Days of receiving notice from Denison of such default or breach; or
- c. at any time prior to receipt of the Denison Shareholder Approval, it wishes to enter into a definitive written agreement with respect to a Superior Proposal.

4. By Fission, if:

- a. (1) the Denison Board shall have made a Change in Recommendation; (2) the Denison Board shall have approved or recommended an Acquisition Proposal, or (3) Denison shall have entered into a definitive agreement with respect to a Superior Proposal;
- b. Denison is in default of any material covenant or obligation or in breach of any representation or warranty, in any material respect under the Arrangement Agreement (except for such inaccuracies in the representations and warranties, which individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect or materially delay or prevent the consummation of the transactions contemplated in the Arrangement Agreement) which has not been cured within three (3) Business Days of receiving notice from Fission of such default or breach; or
- c. at any time prior to receipt of the Fission Shareholder Approval, it wishes to enter into a definitive written agreement with respect to a Superior Proposal.

*Termination Payment*

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

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following events:

- (a) the Arrangement Agreement is terminated by Denison pursuant to paragraph 3(a) or by Fission pursuant to paragraph 4(c) above; or
- (b) the Arrangement Agreement is terminated by either Party pursuant to paragraph 2(c) above, if, prior to the Meeting, an Acquisition Proposal, or the intention to make an Acquisition Proposal with respect to Fission has been publicly announced and not withdrawn and within 6 months following such termination the Person who made such Acquisition Proposal (i) acquires Fission by takeover bid, arrangement, business combination or otherwise; (ii) acquires the assets of Fission that constitute more than 50% of Fission's consolidated assets, revenue or operating income; (iii) acquires more than 50% of the voting or equity securities of Fission; or (iv) Fission enters into a definitive agreement in respect of, or the Fission Board approves or recommends a transaction contemplated by (i), (ii), or (iii) above, with such Person and that transaction is consummated any time thereafter.

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

- (a) the Arrangement Agreement is terminated by Fission pursuant to paragraph 4(a) or by Denison pursuant to paragraph 3(c) above; or
- (b) the Arrangement Agreement is terminated by either Party pursuant to paragraph 2(d) above, if, prior to the Denison Meeting, an Acquisition Proposal, or the intention to make an Acquisition Proposal with respect to Denison has been publicly announced and not withdrawn and within 6 months following such termination the Person who made such Acquisition Proposal (i) acquires Denison by takeover bid, arrangement, business combination or otherwise; (ii) acquires the assets of Denison that constitute more than 50% of Denison's consolidated assets, revenue or operating income; (iii) acquires more than 50% of the voting or equity securities of Denison; or (iv) Denison enters into a definitive agreement in respect of, or the Denison Board approves or recommends a transaction contemplated by (i), (ii), or (iii) above, with such Person and that transaction is consummated any time thereafter.

### *Expense Reimbursement*

In the event that either Denison or Fission terminates the Arrangement Agreement pursuant to paragraphs 3(b) or 4(b) above, then such defaulting Party shall reimburse the non-defaulting party in respect of the expenses it has actually incurred in respect of the Arrangement and the Arrangement Agreement to a maximum of \$1,200,000.

### **Risks Associated with the Arrangement**

In evaluating the Arrangement, Fission Shareholders 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 Fission, may also adversely affect the trading

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price of the Fission Shares, the Denison Shares and/or the businesses of Fission and Denison following the Arrangement. In addition to the risk factors relating to the Arrangement set out below, Fission Shareholders should also carefully consider the risk factors associated with the businesses of Fission and Denison 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 Fission.***

Each of Fission and Denison has the right to terminate the Arrangement Agreement and Arrangement in certain circumstances. Accordingly, there is no certainty, nor can Fission provide any assurance, that the Arrangement Agreement will not be terminated by either Fission 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 Fission. Although a Material Adverse Effect excludes certain events that are beyond the control of Fission (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 Fission), there is no assurance that a change having a Material Adverse Effect on Fission 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 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 Fission, including receipt of the Final Order. There can be no certainty, nor can Fission 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 Fission 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 Fission 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.

***The issue of Denison Shares under the Arrangement and their subsequent sale may cause the market price of Denison Shares to decline from current or anticipated levels***

Pursuant to the Arrangement, Fission Shareholders will receive 1.26 Denison Shares and a nominal cash payment of \$0.0001 in exchange for each Fission Share held. The market value of the Denison Shares at the Effective Time may vary significantly from the market value of the Denison Shares immediately prior to the announcement of the Arrangement and at the date of this Circular. If the market value of Denison Shares declines, the value of the Consideration received by Fission Shareholders will decline as well. Variations may occur as a result of changes in, or market perceptions of changes in, the business, operations or prospects of Denison, Fission and Amalco, regulatory considerations, general market and economic

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conditions, changes in uranium prices and other factors over which neither Fission nor Denison has control.

***Fission and Denison may not realize the benefits currently anticipated due to challenges associated with integrating the operations, technologies and personnel of Fission and Denison.***

The success of Denison will depend in large part on the success of management of Denison in integrating the operations, technologies and personnel of Fission with those of Denison after the Effective Date. The failure of Denison to achieve such integration could result in the failure of Denison to realize the anticipated benefits of the Arrangement and could impair the results of operations, profitability and financial results of Denison.

The overall integration of the operations, technologies and personnel of Fission into Denison may also result in unanticipated operational problems, expenses, liabilities and diversion of management's time and attention.

***Fission 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 Fission and Denison even if the Arrangement is not completed. Fission and Denison are each liable for their own costs incurred in connection with the Arrangement. If the Arrangement is not completed, Fission may be required to pay Denison the Termination Payment. See "The Meeting – The Arrangement – The Arrangement Agreement – Termination".

***The Termination Payment provided under the Arrangement Agreement may discourage other parties from attempting to acquire Fission.***

Under the Arrangement Agreement, Fission would be required to pay a Termination Payment of \$14 million in the event the Arrangement Agreement is terminated in certain circumstances. This Termination Payment may discourage other parties from attempting to acquire Fission Shares or otherwise make an Acquisition Proposal to Fission, even if those parties would otherwise be willing to offer greater value to Fission Shareholders than that offered by Denison under the Arrangement.

***Fission Shareholders will receive a fixed number of Denison Shares.***

Fission 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 Fission Share under the Arrangement will not be adjusted to reflect any change in the market value of the Denison Shares or the Fission 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 Fission Shares increases or decreases, the value of the Consideration that Fission 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 Fission 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,

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the number of Denison Shares being issued in connection with the Arrangement will not change despite decreases or increases in the market price of Fission Shares. Many of the factors that affect the market price of the Denison Shares and the Fission Shares are beyond the control of Denison and Fission, 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 market price for the Fission Shares may decline.***

If the Arrangement is not approved by the Fission Shareholders, the market price of the Fission Shares may decline to the extent that the current market price of the Fission Shares reflects a market assumption that the Arrangement will be completed. If the Arrangement Resolution is not approved and the Fission 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.

***Directors and officers of Fission have interests in the Arrangement that may be different from those of Fission Shareholders generally.***

In considering the recommendation of the Fission Board with respect to the Arrangement, Fission Shareholders should be aware that certain members of Fission's senior management and the Fission 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. See "*The Meeting – The Arrangement – Interests of Certain Persons in the Arrangement*" in this Circular.

***Risks Associated with the Retention Bonus Payments and Loss of Key Management Personnel***

Denison Shareholders will vote at the Denison Meeting on the issuance of Denison Shares to certain directors and officers of Fission and Denison on account of Retention Bonus Payments, pursuant to the terms of the Arrangement Agreement. If Denison Shareholders do not approve the issuance of the Denison Shares to these directors and officers, it is intended that the Retention Bonus Payments contemplated by the Arrangement Agreement shall be made in such manner as determined by the compensation committee of the Combined Company. In considering alternative forms of payment, the compensation committee will likely consider payment in cash or in a combination of cash and options. However in the event mutually acceptable terms cannot otherwise be agreed to, Mr. Randhawa and Mr. McElroy may elect to terminate their employment agreements and seek change of control payments in an amount of \$1,860,000<sup>2</sup> each.

If such payments were to become payable in cash, Denison may be required to divert available funds on hand away from budgeted operations and exploration initiatives which may in turn create a financial strain in the Combined Company. In addition, the loss of Mr. Randhawa and Mr. McElroy may have a negative impact on the business of the Combined Company as it seeks to replace management.

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<sup>2</sup> This number includes annual bonus payments payable to each of Mr. Randhawa and Mr. McElroy.

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### ***Foreign investment risk.***

Denison is subject to different foreign investment risks than those to which Fission 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 of 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.

### **Dissent Rights**

The following description of Dissent Rights is not a comprehensive statement of the procedures to be followed by a Dissenting Fission Shareholder who seeks payment of the fair value of its Fission Shares from Denison and is qualified in its entirety by reference to the full text of the Interim Order which is attached at Appendix "D" to this Circular. A Dissenting Fission 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.

Registered Fission Shareholders may exercise Dissent Rights in connection with the Arrangement pursuant to the Interim Order, the Final Order and in the manner provided in section 190 of the CBCA, as modified by the Plan of Arrangement.

A Registered Fission Shareholder who intends to exercise the Dissent Rights must deliver a Notice of Dissent to 2600 – 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1L3, Attention: Sean Boyle, to be received not later than 4:00 p.m. (Vancouver Time) on October 9, 2015, or two Business Days prior to any adjournment of the Meeting and must not vote any Dissent Shares in favour of the Arrangement. A Non-Registered Fission Shareholder who wishes to exercise the Dissent Rights must arrange for the Registered Fission Shareholder(s) holding its Fission Shares to deliver the Notice of Dissent and should seek further instructions to ensure the Registered Fission Shareholder follows all necessary procedures in respect of such Dissent Rights on behalf of, or in conjunction with, such Non-Registered Fission Shareholder. The Notice of Dissent must set out the number of Dissent Shares the Dissenting Fission Shareholder holds. A vote against the Arrangement Resolution does not constitute a Notice of Dissent and a Registered Fission Shareholder is not entitled to exercise Dissent Rights with respect to Fission Shares if such holder votes (or instructs, or is deemed, by submission of any incomplete proxy, to have instructed his, her or its proxyholder, to vote) or in the case of a beneficial holder caused, or is deemed to have caused, the Registered Fission Shareholder to vote, in favour of the Arrangement Resolution at the Meeting.

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If the Arrangement Resolution is passed at the Meeting, Fission must send by registered mail to every Dissenting Fission Shareholder, a notice (the “**Notice of Intention**”). A Notice of Intention is not required to be sent to any Dissenting Fission Shareholder who voted in favour of the Arrangement Resolution or who has withdrawn their Notice of Dissent. A Dissenting Fission Shareholder then has 20 days after receipt of the Notice of Intention or, if the Dissenting Fission Shareholder does not receive a Notice of intention, within 20 days after learning that the Arrangement Resolution has been adopted, to send to Fission a written notice (a “**Demand Notice**”) containing the Dissenting Fission Shareholder’s name and address, and the number of Dissent Shares the Dissenting Shareholder holds and in respect of which it dissents and a demand for the payment of the fair value of such Dissenting Shares. A Dissenting Fission Shareholder must within 30 days after sending the Demand Notice, send the certificates representing the Dissenting Fission Shares to Fission or its transfer agent or else the Dissenting Fission Shareholder will lose its right to make a Claim for the fair value of such Dissenting Fission Shares.

Denison will pay to each Dissenting Fission Shareholder for the Dissent Shares the amount determined by the directors of Denison to be the fair value as offered by Denison and as may be accepted by the Dissenting Fission Shareholder. Either Denison or a Dissenting Fission Shareholder may apply to the Court if no agreement on the amount to be paid for the Dissent Shares has been reached, and the Court may:

- (a) determine the fair value of the Dissent Shares;
- (b) join in the application each other Dissenting Fission Shareholder who has not reached an agreement with Denison as to the amount to be paid for the Dissent Shares; or
- (c) make consequential orders and give directions it considers appropriate.

Dissenting Fission Shareholders who are ultimately entitled to be paid fair value for their Dissent Shares will be entitled to be paid such fair value and will not be entitled to any other payment or consideration, including any payment or Consideration that would be payable under the Plan of Arrangement had they not exercised their Dissent Rights.

If a Dissenting Fission Shareholder fails to strictly comply with the requirements of the Dissent Rights set out in Section 190 of the CBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement, it will lose its Dissent Rights, Fission will return to the Dissenting Fission Shareholder the certificate(s) representing the Dissent Shares that were delivered to Fission, if any, and, if the Arrangement is completed, that Dissenting Fission Shareholder shall be deemed to have participated in the Arrangement on the same terms as all other Fission Shareholders who are not Dissenting Fission Shareholders. Neither Fission nor any other person shall be required to recognize a Dissenting Fission Shareholder as a registered or beneficial owner of Fission Shares at or after the Effective Time, and at the Effective Time the names of such Dissenting Fission Shareholders shall be deleted from the register of holders of Fission Shares maintained by or on behalf of Fission.

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**Registered Fission Shareholders wishing to exercise the Dissent Rights should consult their legal advisers with respect to the legal rights available to them in relation to the Arrangement and the Dissent Rights. Registered Fission Shareholders should note that the exercise of Dissent Rights can be a complex, time-consuming and expensive procedure.**

The Interim Order outlines certain events when Dissent Rights will cease to apply where such events occur before payment is made to the Dissenting Fission Shareholders of their fair value of the Fission Shares surrendered (including if the Arrangement Resolution does not pass or is otherwise not proceeded with). In such event, the Dissenting Fission Shareholders will be entitled to the return of the applicable share certificate(s), if any, and rights as a shareholder of Fission in respect of the applicable Fission Shares will be regained.

If, as of the Effective Date, the aggregate number of Fission Shares in respect of which Fission Shareholders have duly and validly exercised Dissent Rights exceeds 5% of the Fission Shares then outstanding, each of Fission and Denison is entitled, in its discretion, not to complete the Arrangement.

*See “The Meeting – The Arrangement – The Arrangement Agreement – Conditions to the Arrangement Becoming Effective.”*

## **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of Blake, Cassels & Graydon LLP, counsel to Fission, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a Fission Shareholder who, for purposes of the Tax Act, holds Fission Shares and will hold Denison Shares acquired pursuant to the Arrangement, as capital property, deals at arm’s length with each of Fission and Denison and is not affiliated with Fission or Denison and who disposes of Fission Shares pursuant to the Arrangement.

Fission Shares generally will be considered capital property to a Fission Shareholder for purposes of the Tax Act unless the Fission Shareholder holds such Fission Shares in the course of carrying on a business of buying and selling securities or the Fission Shareholder has acquired or holds them in a transaction or transactions considered to be an adventure or concern in the nature of trade. In circumstances where Fission Shares may not otherwise constitute capital property to a particular holder who is resident in Canada for purposes of the Tax Act, such holder may be entitled to elect that Fission Shares be deemed capital property by making an irrevocable election under subsection 39(4) of the Tax Act to deem every “Canadian security” (as defined in the Tax Act) owned by such holder in the taxation year of the election and in each subsequent taxation year to be capital property. Fission Shareholders contemplating such an election should first consult their own tax advisors. Where a Shareholder makes an election with Denison under Section 85 of the Tax Act as described below the Denison Shares received will not be “Canadian securities” to such holder and will not be deemed capital property under subsection 39(4) of the Tax Act.

This summary is based on the current provisions of the Tax Act, the Tax Regulations in force on the date hereof, and counsel’s understanding of the current published administrative policies and assessing practices of the CRA. The summary takes into account all specific proposals to

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amend the Tax Act and the Tax Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”), and assumes that all Tax Proposals will be enacted in the form proposed. However, there is no certainty that the Tax Proposals will be enacted in the form currently proposed, if at all. The summary does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative decision or action, or other changes in administrative policies or assessing practices of the CRA, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may materially differ from Canadian federal income tax legislation or considerations.

This summary does not apply to Fission Shareholders which are “financial institutions” for the purposes of the mark-to-market rules in the Tax Act, “specified financial institutions” or an interest in which would be a “tax shelter” or a “tax shelter investment” each as defined in the Tax Act. This summary also does not apply to a Fission Shareholder that has made a functional currency reporting election pursuant to the Tax Act. In addition, this summary does not address the tax considerations relevant to Fission Shareholders who acquired their shares on the exercise of an employee stock option. Such Fission Shareholders should consult their own tax advisors.

This summary also does not apply to holders of Fission Options and Fission Warrants.

**This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal, business or tax advice or representations to any particular Fission Shareholder. Accordingly, Fission Shareholders should consult their own tax advisors with respect to their particular circumstances, including the application and effect of the income and other tax laws of any country, province, state or local tax authority.**

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Fission Shares, or Denison Shares, including interest, dividends, adjusted cost base and proceeds of disposition must be converted into Canadian dollars based on the relevant exchange rate applicable on the effective date (as determined in accordance with the Tax Act) of the related acquisition, disposition or recognition of income.

### **Residents of Canada**

This part of the summary is applicable only to Fission Shareholders, who, for the purposes of the Tax Act and at all relevant times, are resident, or deemed to be resident, in Canada (“**Resident Shareholders**”).

### ***Exchange of Fission Shares for Denison Shares and Cash – No Section 85 Election***

As part of the Arrangement, each Fission Share will be exchanged for 1.26 Denison Shares and \$0.0001 of cash.

A Resident Shareholder whose Fission Shares are exchanged for Denison Shares and cash pursuant to the Arrangement, and who does not make a valid Section 85 Election (as defined below) jointly with Denison with respect to the exchange, will be considered to have disposed of

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those Fission Shares for proceeds of disposition equal to the aggregate fair market value, as at the time of the exchange, of the Denison Shares and cash so acquired by the Resident Shareholder. As a result, the Resident Shareholder will generally realize a capital gain (or capital loss) to the extent that such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Resident Shareholder's Fission Shares immediately before the exchange. See "*Taxation of Capital Gains and Losses*" below for a general discussion of the treatment of capital gains and capital losses under the Tax Act.

The cost to the Resident Shareholder of the Denison Shares acquired on the exchange will equal the fair market value of such Denison Shares as at the time of the exchange. If the Resident Shareholder separately owns other Denison Shares as capital property at that time, the adjusted cost base of all Denison Shares owned by the Resident Shareholder as capital property immediately after the exchange will be determined by averaging the cost of the Denison Shares acquired on the exchange with the adjusted cost base of those other Denison Shares.

### ***Exchange of Fission Shares for Denison Shares and Cash – Section 85 Election***

The following applies to a Resident Shareholder who is an eligible shareholder ("**Eligible Shareholder**"). An Eligible Shareholder is a beneficial owner of Fission Shares who is (a) resident in Canada for the purposes of the Tax Act and is not exempt from tax under Part I of the Tax Act, (b) a non-resident of Canada for the purposes of the Tax Act whose Fission Shares constitute "taxable Canadian property" (as defined in the Tax Act) and who is not exempt from Canadian tax in respect of any gain realized on the disposition of Fission Shares by reason of an exemption contained in an applicable income tax treaty, or (c) a partnership, if one or more members of the partnership are described in (a) or (b). An Eligible Shareholder who makes an election pursuant to Section 85 of the Tax Act may obtain a full or partial tax deferral in respect of the disposition of Fission Shares as a consequence of a filing with the CRA (and, where applicable, with a provincial tax authority) of an election (the "**Section 85 Election**") under subsection 85(1) of the Tax Act or, in the case of a partnership, under subsection 85(2) of the Tax Act provided all members of the partnership jointly elect, (and the corresponding provisions of any applicable provincial tax legislation) made jointly by the Eligible Shareholder and Denison. The amount specified in the Section 85 Election as the proceeds of disposition of the Eligible Shareholder's Fission Shares must be an amount (the "**Elected Amount**") which is not less than the greater of:

- (i) the lesser of the adjusted cost base to the Eligible Shareholder of such Fission Shares and the fair market value of such Fission Shares at the time of disposition; or
- (ii) the fair market value of any cash received as a result of such disposition.

The Elected Amount may not be greater than the fair market value of such Fission Shares at the time of the disposition.

An Elected Amount which does not comply with these limitations will automatically be adjusted under the Tax Act so that it is in compliance.

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Where a valid Section 85 Election is filed:

- (i) Fission Shares that are the subject of the Section 85 Election will be deemed to be disposed of for proceeds of disposition equal to the Elected Amount. Subject to the limitations set out in subsection 85(1) or 85(2) of the Tax Act regarding the Elected Amount, if the Elected Amount is equal to the aggregate of the adjusted cost base of such Fission Shares immediately before the disposition and any reasonable costs of disposition, no capital gain or capital loss will be realized by the Eligible Shareholder. Subject to such limitations, to the extent that the Elected Amount in respect of such Fission Shares exceeds (or is less than) the aggregate of the adjusted cost base and any reasonable costs of disposition, such holder will realize a capital gain (or a capital loss). See “*Taxation of Capital Gains and Losses*” below.
- (ii) The aggregate cost to the Eligible Shareholder of the Denison Shares received will be equal to the amount, if any, by which the Elected Amount exceeds the aggregate fair market value of cash received from Denison as a result of the disposition. The adjusted cost base of such Denison Shares received will be determined by averaging the adjusted cost base of such Denison Shares with the adjusted cost base of any other Denison Shares held by the Eligible Shareholder at that time as capital property.

Denison has agreed to make a Section 85 Election pursuant to subsection 85(1) or 85(2) of the Tax Act (and any similar provision of any provincial tax legislation) with an Eligible Shareholder at the amount determined by such Eligible Shareholder, subject to the limitations set out in subsection 85(1) and 85(2) of the Tax Act (or any applicable provincial tax legislation).

**A tax instruction letter providing certain instructions on how to complete the Section 85 Election forms will be made available to an Eligible Shareholder through a special purpose website by checking the appropriate box on the Letter of Transmittal and submitting the Letter of Transmittal to the Depositary within 30 days of the Effective Date in accordance with the procedures set out under the heading “*The Meeting - The Arrangement – Procedure for Exchange of Fission Shares*”.**

In order to make an election, an Eligible Shareholder must submit the necessary information to a secure special purpose website (<https://www.taxelection.ca/fission>) and in accordance with the procedures set out in the tax instruction letter on or before 90 days after the Effective Date. The information will include the number of Fission Shares transferred, the adjusted cost base or cost amount of the Fission Shares, the Consideration received and the applicable Elected Amount for the purposes of such election. Subject to the information complying with the provisions of the Tax Act (and any applicable provincial income tax law), a copy of the election form containing the information provided will be signed by Denison and returned to the Eligible Shareholder for filing with the CRA (or the applicable provincial tax authority). **Each Eligible Shareholder is solely responsible for ensuring the Section 85 Election is completed correctly and filed with the CRA (and any applicable provincial income tax authorities) by the required deadline.**

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Denison will make a Section 85 Election only with an Eligible Shareholder, and at the amount selected by the Eligible Shareholder subject to the limitations set out in the Tax Act (and any applicable provincial tax legislation). Neither Denison nor Fission will be responsible for the proper completion or filing of any election form and the Eligible Shareholder will be solely responsible for the payment of any late filing penalty. Denison agrees only to execute any election form containing information provided by the Eligible Shareholder which complies with the provisions of the Tax Act (and any applicable provincial tax law) and to return such election form to the Eligible Shareholder for filing with the CRA (and any applicable provincial tax authority). At its sole discretion, Denison may accept and execute an election form that is not received within the 90 day period; however, no assurances can be given that Denison will do so. Accordingly, all Eligible Shareholder who wish to make a joint election with Denison should give their immediate attention to this matter. **With the exception of execution of the election form by Denison, compliance with the requirements for a valid Section 85 Election will be the sole responsibility of the Eligible Shareholder making the election.** Accordingly, neither Denison, Fission nor the Depositary will be responsible or liable for Taxes, interest, penalties, damages or expenses resulting from the failure by anyone to provide information necessary for the election in accordance with the procedures set out in the tax instruction letter, to properly complete any election or to properly file it within the time prescribed and in the form prescribed under the Tax Act (or the corresponding provisions of any applicable provincial tax legislation).

In order for the CRA (and where applicable the provincial tax authorities) to accept a Section 85 Election without a late filing penalty being paid by an Eligible Shareholder, the election form must be received by such tax authorities on or before the day that is the earliest of the days on or before which either Denison or the Eligible Shareholder is required to file an income Tax Return for the taxation year in which the disposition occurs. Denison's 2015 taxation year is scheduled to end on December 31, 2015, although Denison's taxation year could end earlier as a result of an event such as an amalgamation, and its Tax Return is required to be filed within six months from the end of the taxation year. Eligible Shareholder are urged to consult their own advisors as soon as possible respecting the deadlines applicable to their own particular circumstances. **However, regardless of such deadlines, information necessary for an Eligible Shareholder to make a Section 85 Election must be received by Denison in accordance with the procedures set out in the tax instruction letter no later than 90 days after the Effective Date.**

**Any Eligible Shareholder who does not ensure that information necessary to make an election has been submitted to the special purpose website in accordance with the procedures set out in the tax instruction letter on or before 90 days after the Effective Date will not be able to benefit from the tax deferral provisions of the Tax Act (or the corresponding provisions of any applicable provincial tax legislation). Accordingly, all Eligible Shareholders who wish to enter into a Section 85 Election with Denison should give their immediate attention to this matter. The instructions for requesting a tax instruction letter are set out in the Transmittal Letters. Eligible Shareholders are referred to Information Circular 76-19R3 and Interpretation Bulletin IT-291R3 (archived) issued by the CRA for further information respecting the Section 85 Election. Eligible Shareholders wishing to make the Section 85 Election should consult their own tax advisors. An Eligible Shareholder who does not make a valid election under Section 85 of the Tax Act (or the corresponding provisions of any applicable provisional tax legislation) may**

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**realize a taxable capital gain. The comments herein with respect to the Section 85 Election are provided for general assistance only. The law in this area is complex and contains numerous technical requirements.**

### ***Dividends of Shares***

A Resident Shareholder who is an individual will be required to include in income any dividends received or deemed to be received on the Resident Shareholder's Denison Shares and will be subject to the 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 rules applicable to any dividends designated by Denison, as the case may be, as "eligible dividends", as defined in the Tax Act.

A Resident Shareholder that is a corporation will be required to include in income any dividend received or deemed to be received on the Resident Shareholder's Fission Shares, Denison Shares, but generally will be entitled to deduct an equivalent amount 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 33⅓% on any dividend that it receives or is deemed to receive on Denison Shares to the extent that the dividend is deductible in computing the corporation's taxable income.

Taxable dividends received by an individual or trust, other than certain specified trusts, may give rise to minimum tax under the Tax Act.

### ***Disposition of Denison Shares***

A Resident Shareholder that disposes or is deemed to dispose of a Denison Share in a taxation year generally will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of the Denison Share, exceed (or are less than) the sum of the Resident Shareholder's adjusted cost base of such Denison Share, determined immediately before the disposition and any reasonable costs of disposition. See "*Taxation of Capital Gains and Losses*" below.

### ***Taxation of Capital Gains and Losses***

Generally, a Resident Shareholder will be required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized by it in that year. A Resident Shareholder will generally be entitled to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Shareholder in that year. Allowable capital losses in excess of taxable capital gains for a taxation year may be carried back to any of the three preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized in such years to the extent and under the circumstances specified in the Tax Act.

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

A Resident Shareholder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be required to pay an additional 6 $\frac{2}{3}$ % refundable tax on certain investment income, which includes taxable capital gains.

Capital gains realized by an individual or trust, other than certain specified trusts, may give rise to minimum tax under the Tax Act.

### ***Minimum Tax***

A Resident Shareholder who is an individual (including certain trusts) is subject to minimum tax under the Tax Act. This tax is computed by reference to adjusted taxable income. Eighty percent (80%) of capital gains (net of capital losses) and the actual amount of taxable dividends (not including any gross-up) are included in determining the adjusted taxable income of an individual. Any additional tax payable by an individual 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.

### ***Dissenting Shareholders***

A Resident Shareholder who is a Dissenting Fission Shareholder (a “**Dissenting Resident Shareholder**”) who, consequent upon the exercise of Dissent Rights, disposes of Fission Shares in consideration for a cash payment from Denison will realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of base of disposition, exceed (or are less than) the adjusted cost base of the Dissenting Resident Shareholder’s Fission Shares. See “*Taxation of Capital Gains and Losses*” above.

Interest awarded by a court to a Dissenting Resident Shareholder will be included in the holder’s income for purposes of the Tax Act.

### ***Eligibility for Investment***

The Denison Shares to be issued pursuant to the Arrangement would, if issued on the date of this Information Circular, be “qualified investments” under the Tax Act for a trust governed by a registered retirement savings plan (“**RRSP**”), a registered retirement income fund (“**RRIF**”), a deferred profit sharing plan, a registered education savings plan, a registered disability savings plan and a tax-free savings account (“**TFSA**”) (collectively, “**Registered Plans**”) provided that the Denison Shares are listed on a “designated stock exchange” as defined for purposes of the Tax Act (which includes the TSX on the date of this Information Circular).

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Notwithstanding the foregoing, a holder of Denison Shares, will be subject to a penalty tax if the Denison Shares, are held in a RRSP, RRIF, TFSA, as the case may be, and are a “prohibited investment” for such RRSP, RRIF, TFSA under the Tax Act. However, the Denison Shares, will not be a prohibited investment for a RRSP, RRIF or TFSA, as the case may be, held by a particular holder or annuitant provided the holder or annuitant deals at arm’s length with Denison for the purposes of the Tax Act, and does not have a “significant interest” (as defined in the Tax Act) in Denison. In addition, Denison Shares will generally not be a prohibited investment if the Denison Shares are “excluded property” as defined in the Tax Act. Shareholders should consult their own tax advisors as to whether the Denison Shares will be a prohibited investment in their particular circumstances.

### **Non-Residents of Canada**

This part of the summary is applicable to Fission Shareholders, who, for purposes of the Tax Act, have not been and will not be resident or deemed to be resident in Canada at any time while they have held or will hold Fission Shares and Denison Shares, and who do not use or hold, will not use or hold and are not and will not be, deemed to use or hold such Fission Shares and Denison Shares in carrying on a business in Canada (a “**Non-Resident Shareholder**”). Special rules, which are not discussed in this summary, may apply to a non-resident that is an insurer carrying on business in Canada and elsewhere.

### ***Exchange of Fission Shares for Denison Shares and Cash and Disposition of Denison Shares***

A Non-Resident Shareholder will not be subject to tax under the Tax Act on the disposition of Fission Shares or Denison Shares unless the Fission Shares, or Denison Shares, as the case may be, constitute “taxable Canadian property” of the Non-Resident Shareholder for purposes of the Tax Act and the Non-Resident Shareholder is not entitled to relief under an applicable income tax treaty or convention.

Fission Shares, or Denison Shares, respectively, will generally not constitute taxable Canadian property of a Non-Resident Shareholder unless at any time during the 60-month period immediately preceding the disposition (i) the Non-Resident Shareholder, persons with whom the Non-Resident Shareholder did not deal at arm’s length, partnerships in which the Non-Resident Shareholder or persons with whom the Non-Resident Shareholder does not deal at arm’s length, holds a membership interest directly, or indirectly, through one or more partnerships or the Non-Resident Shareholder together with all such persons, owned or was considered to own 25% or more of the issued shares of any class or series of shares of the capital stock of the applicable corporation, and (ii) more than 50% of the fair market value of the shares was 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), and options in respect of, or interests in, or for civil law rights in, any such properties (whether or not such property exists). Shares may also be deemed to be “taxable Canadian property” pursuant to the Tax Act.

Even if any of the Fission Shares or Denison Shares are taxable Canadian property to a Non-Resident Shareholder at a particular time such holder may be exempt from tax by virtue of an income tax treaty or convention to which Canada is a signatory.

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In the event Fission Shares or Denison Shares, as the case may be, are taxable Canadian property to a Non-Resident Shareholder at the time of disposition and such Non-Resident Shareholder is not exempt from tax by a tax treaty, the tax consequences described above under “*Certain Canadian Federal Income Tax Considerations – Residents of Canada – Exchange of Fission Shares for Denison Shares and Cash – No Section 85 Election*”, “*Certain Canadian Federal Income Tax Considerations – Residents of Canada – Exchange of Fission Shares for Denison Shares and Cash – Section 85 Election*”, “*Certain Canadian Federal Income Tax Considerations – Residents of Canada – Disposition of Denison Shares*” and “*Certain Canadian Federal Income Tax Considerations – Residents of Canada – Taxation of Capital Gains and Losses*” will generally apply. If a Non-Resident Shareholder wishes to defer the recognition of any gain on the disposition of a Fission Share that is taxable Canadian property and is not subject to relief pursuant to a tax treaty, such Non-Resident Shareholder may do so by jointly filing a Section 85 Election with Denison in the manner described above under “*Residents of Canada – Exchange of Fission Shares for Denison Shares and Cash – Section 85 Election*”.

### ***Dividends on Shares***

Dividends paid or credited, or deemed to be paid or credited, on a Non-Resident Shareholder's Denison Shares will be subject to withholding tax under the Tax Act at a rate of 25% unless the rate is reduced under the provisions of an applicable income tax treaty or convention. In the case of a beneficial owner of dividends who is a resident of the United States for purposes of the U.S. Treaty and who is entitled to the benefits of that treaty, the rate of withholding will generally be reduced to 15%.

### ***Dissenting Shareholders***

A Non-Resident Shareholder who is a Dissenting Fission Shareholder will not be subject to tax under the Tax Act on any capital gain realized on the disposition of Fission Shares to Denison, provided that the Fission Shares, as applicable, are not “taxable Canadian property” (as defined in the Tax Act), as discussed above under “*Exchange of Fission Shares for Denison Shares and Cash – No Section 85 Election*” and “*Disposition of Denison Shares*”, to the Non-Resident Shareholder at the time of the disposition or an applicable income tax treaty or convention exempts the capital gain from tax under the Tax Act.

Interest (if any) awarded by a court to a dissenting Non-Resident Shareholder generally should not be subject to withholding tax under the Tax Act.

## **CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

The following is a general summary of certain U.S. federal income tax considerations applicable to a U.S. Holder (as defined below) arising from the receipt of Denison Shares and cash pursuant to the Arrangement and the ownership and disposition of such Denison Shares. This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to a U.S. Holder as a result of the Arrangement or as a result of the ownership and disposition of Denison Shares received pursuant to the Arrangement. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the

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U.S. federal income tax consequences to such U.S. Holder, including specific tax consequences to a U.S. Holder under an applicable tax treaty. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. This summary does not address the U.S. federal alternative minimum, U.S. federal estate and gift, U.S. net investment income, U.S. state and local, or non-U.S. tax consequences to U.S. Holders of the Arrangement and the ownership and disposition of Denison Shares. Except as specifically set forth below, this summary does not discuss applicable income tax reporting requirements. Each U.S. Holder is urged to consult its own tax advisor regarding all U.S. federal, U.S. state and local, and non-U.S. tax consequences of the Arrangement and the ownership and disposition of Denison Shares.

No opinion from U.S. legal counsel or ruling from the Internal Revenue Service (the “**IRS**”) has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement or the ownership and disposition of Denison Shares received pursuant to the Arrangement. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary.

## **Scope of this Disclosure**

### ***Authorities***

This summary is based on the Code, U.S. Treasury Regulations (whether final, temporary, or proposed), published rulings of the IRS, published administrative positions of the IRS, the U.S. Treaty, and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date of this Circular. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive or prospective basis which could affect the U.S. federal income tax considerations described in this summary. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive or prospective basis.

### ***U.S. Holders***

For purposes of this summary, the term “U.S. Holder” means a beneficial owner of Fission Shares (or, after the Arrangement, Denison Shares) participating in the Arrangement or exercising Dissent Rights pursuant to the Arrangement that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

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- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust that (a) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions or (b) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

### ***Non-U.S. Holders***

For purposes of this summary, a “non-U.S. Holder” is a beneficial owner of Fission Shares participating in the Arrangement or exercising Dissent Rights that is not a partnership (or other “pass-through” entity) for U.S. federal income tax purposes and is not a U.S. Holder.

This summary does not address the U.S. federal income tax consequences applicable to non-U.S. Holders arising from the Arrangement or the ownership and disposition of Denison Shares received pursuant to the Arrangement. Accordingly, a non-U.S. Holder is urged to consult its own tax advisor regarding all U.S. federal, U.S. state and local, and non-U.S. tax consequences (including the potential application and operation of any income tax treaties) relating to the Arrangement and the ownership and disposition of Denison Shares received pursuant to the Arrangement.

### ***Transactions Not Addressed***

This summary does not address the U.S. federal income tax consequences of transactions effected prior or subsequent to, or concurrently with, the Arrangement (whether or not any such transactions are undertaken in connection with the Arrangement), including, without limitation, the following:

- (a) any conversion into Fission Shares or Denison Shares of any notes, debentures or other debt instruments;
- (b) any vesting, conversion, assumption, disposition, exercise, exchange, or other transaction involving any rights to acquire Fission Shares or Denison Shares, including the Fission Options, the Denison Options and the Denison Replacement Options and any outstanding warrants to purchase Fission Shares;
- (c) any transaction, other than the Arrangement, in which Fission Shares or Denison Shares are acquired.

### ***U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed***

This summary does not address the U.S. federal income tax considerations of the Arrangement or the ownership and disposition of Denison Shares received pursuant to the Arrangement to U.S. Holders that are subject to special provisions under the Code, including (except as otherwise specifically noted) U.S. Holders that: (a) are tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) are financial institutions, underwriters, insurance companies, real estate investment trusts, or regulated investment companies; (c) are broker-dealers, dealers, or traders in securities or currencies that

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elect to apply a mark-to-market accounting method; (d) have a “functional currency” other than the U.S. dollar; (e) own Fission Shares (or after the Arrangement, Denison Shares) as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (f) acquired Fission Shares in connection with the exercise of employee stock options or otherwise as compensation for services; (g) hold Fission Shares (or after the Arrangement, Denison Shares) other than as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment purposes); (h) own, directly, indirectly, or by attribution, 5% or more, by voting power or value, of the outstanding Fission Shares (or after the Arrangement, Denison Shares); or (i) acquired Fission shares by gift or inheritance. This summary also does not address the U.S. federal income tax considerations applicable to U.S. Holders who are: (a) U.S. expatriates or former long-term residents of the U.S.; (b) persons that have been, are, or will be a resident or deemed to be a resident in Canada for purposes of the Tax Act; (c) persons that use or hold, will use or hold, or that are or will be deemed to use or hold Fission Shares (or after the Arrangement, Denison Shares) in connection with carrying on a business in Canada; (d) persons whose Fission Shares (or after the Arrangement, Denison Shares) constitute “taxable Canadian property” under the Tax Act; or (e) persons that have a permanent establishment in Canada for the purposes of the U.S. Treaty. U.S. Holders that are subject to special provisions under the Code, including U.S. Holders described immediately above, are urged to consult their own tax advisors regarding all U.S. federal, U.S. state and local, and non-U.S. tax consequences (including the potential application and operation of any income tax treaties) relating to the Arrangement and the ownership and disposition of Denison Shares received pursuant to the Arrangement.

If an entity or arrangement that is classified as a partnership (including any other “pass-through” entity) for U.S. federal income tax purposes holds Fission Shares (or after the Arrangement, Denison Shares), the U.S. federal income tax consequences to such partnership and the partners (or owners) of such partnership of participating in the Arrangement and the ownership and disposition of Denison Shares received pursuant to the Arrangement generally will depend on the activities of the partnership and the status of such partners (or owners). This summary does not address the tax consequences to any such partnership or partner (or owner). Partners (or owners) of entities and arrangements that are classified as partnerships for U.S. federal income tax purposes are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of the Arrangement and the ownership and disposition of Denison Shares received pursuant to the Arrangement.

## **Certain U.S. Federal Income Tax Consequences of the Acquisition**

### ***Characterization of the Acquisition for U.S. Federal Income Tax Purposes***

The exchange of Fission Shares for Denison Shares and cash (the “**Exchange**”), the transfer of the Fission Shares by Denison to Subco (the “**Contribution**”) and the amalgamation of Fission and Subco (the “**Amalgamation**”) may be viewed either as separate transactions or treated as a single integrated transaction for U.S. federal income tax purposes. Although there are no authorities addressing facts identical to the Arrangement and therefore the matter is not free from doubt, the Exchange, the Contribution and the Amalgamation (together, the “**Acquisition**”) are expected to be treated as a single integrated transaction for U.S. federal income tax purposes. This summary assumes that the Acquisition will be treated for U.S. federal income tax purposes as if Subco and Fission merged to form Amalco as specified in the Plan of

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Arrangement and the Fission Shareholders exchanged their Fission Shares for Denison Shares and cash as part of such merger. If the Acquisition is treated as a single integrated transaction for U.S. federal income tax purposes, and the Substantially All Assets Requirement discussed below is satisfied, the Acquisition should qualify as a Reorganization.

Since the Acquisition will be effected pursuant to applicable provisions of Canadian corporate law that are not identical to analogous provisions of U.S. corporate law, and there are no direct authorities that consider whether the Acquisition is treated as a single integrated transaction that qualifies as a Reorganization within the meaning of Section 368(a) of the Code, there can be no assurance that the IRS or a U.S. court would not take a contrary view of the Acquisition.

There are many requirements for the Acquisition to qualify as a Reorganization. Among them is the requirement that Amalco must acquire “substantially all” of the assets of Fission in connection with the Acquisition (the “**Substantially All Assets Requirement**”). For ruling purposes, the IRS defines “substantially all” as at least 70% of the gross assets and at least 90% of the net assets of Fission immediately before the Acquisition. Denison and Fission believe that the Substantially All Assets Requirement should be satisfied.

Neither Fission nor Denison has sought or obtained either a ruling from the IRS or an opinion of counsel regarding any of the tax consequences of the Arrangement. Accordingly, there can be no assurance that the IRS will not challenge the status of the Acquisition as a Reorganization or that the U.S. courts would uphold the status of the Acquisition as a Reorganization in the event of an IRS challenge. The tax consequences of the Acquisition qualifying as a Reorganization or as a taxable transaction are discussed below. U.S. Holders are urged to consult their own tax advisors regarding the proper tax reporting of the Acquisition.

### ***Tax Consequences if the Acquisition Qualifies as a Reorganization***

If the Acquisition qualifies as a Reorganization, subject to the PFIC rules discussed below, then the following U.S. federal income tax consequences will result for U.S. Holders:

- gain (but not loss) will be recognized in an amount equal to the lesser of (i) the excess, if any, of (A) the sum of the fair market value (expressed in U.S. dollars) of the Denison Shares and the U.S. dollar amount of the cash received in the Acquisition, over (B) the adjusted tax basis (expressed in U.S. dollars) of such U.S. Holder in the Fission Shares exchanged pursuant to the Acquisition, or (ii) the U.S. dollar amount of the cash received in the Acquisition;
- the aggregate tax basis of the Denison Shares received in the Acquisition will be equal to the aggregate tax basis of the Fission Shares surrendered in exchange therefor, increased by the amount of gain recognized and decreased by the U.S. dollar amount of the cash received in the Acquisition;
- the holding period for the Denison Shares received in the Acquisition will include such U.S. Holder’s holding period for the Fission Shares surrendered in exchange therefor; and

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- Certain U.S. Holders may be required to report certain information to the IRS on their U.S. federal income tax returns for the tax year in which the Acquisition occurs, and to retain certain records related to the Acquisition.

Subject to the PFIC rules discussed below, any recognized gain not treated as a dividend will be treated as capital gain, which will be long-term capital gain if the Fission Shares have been held for more than one year at the time of the Acquisition. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation.

The IRS could challenge a U.S. Holder's treatment of the Acquisition as a Reorganization. If the treatment of the Acquisition as a Reorganization were successfully challenged, then the Acquisition would be treated as a taxable transaction, and the consequences to U.S. Holders discussed immediately below (including the recognition of any realized gain) would apply.

### ***Tax Consequences if the Acquisition is a Taxable Transaction***

If the Acquisition does not qualify as a Reorganization, subject to the PFIC rules discussed below, then the following U.S. federal income tax consequences would result for U.S. Holders:

- gain or loss would be recognized in an amount equal to the difference, if any, between (A) the sum of the fair market value (expressed in U.S. dollars) of the Denison Shares and the U.S. dollar amount of the cash received in the Acquisition and (B) the adjusted tax basis (expressed in U.S. dollars) of such U.S. Holder in the Fission Shares exchanged pursuant to the Acquisition;
- the aggregate tax basis of the Denison Shares received in the Acquisition would be equal to the fair market value of such shares on the date of receipt; and
- the holding period for the Denison Shares received in the Acquisition would begin on the day after such shares are received.

Subject to the PFIC rules discussed below, any gain or loss described in clause (a) immediately above would be capital gain or loss, which would be long-term capital gain or loss if the holding period with respect to such Fission Shares is more than one year as of the date of the Acquisition. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to complex limitations under the Code.

The remainder of this summary assumes that the Acquisition qualifies as a Reorganization.

### ***Tax Consequences of the Acquisition if Fission Is Classified as a PFIC***

A U.S. Holder of Fission Shares could be subject to special, adverse tax rules in respect of the Arrangement if Fission was classified as a "passive foreign investment company" within the meaning of Section 1297 of the Code (a "**PFIC**") for any tax year during which such U.S. Holder holds or held Fission Shares.

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A non-U.S. corporation is a PFIC for each tax year in which (i) 75% or more of its gross income is passive income (as defined for U.S. federal income tax purposes) or (ii) 50% or more of the value of its assets either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value of such assets. For purposes of the PFIC provisions, “gross income” generally includes all sales revenues less cost of goods sold, plus income from investments and from incidental or outside operations or sources, and “passive income” generally includes dividends, interest, certain royalties and rents, certain gains from the sale of stock and securities, and certain gains from commodities transactions. Active business gains arising from the sale of commodities generally are excluded from passive income if substantially all (85% or more) of a non-U.S. corporation’s commodities are stock in trade or inventory, depreciable property used in a trade or business or supplies regularly used or consumed in the ordinary course of its trade or business, and certain other requirements are satisfied. In determining whether or not a non-U.S. corporation is a PFIC, the corporation is required to take into account its pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value).

Fission believes that it qualifies as a PFIC. PFIC classification is factual in nature, and generally cannot be determined until the close of the tax year in question. Additionally, the analysis depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. Consequently, there can be no assurances regarding the PFIC status of Fission during the current tax year which includes the Effective Date or any prior tax year.

Under proposed U.S. Treasury Regulations, absent application of the “PFIC-for-PFIC Exception” discussed below, if Fission is classified as a PFIC for any tax year during which a U.S. Holder holds Fission Shares, special rules may increase such U.S. Holder’s U.S. federal income tax liability with respect to the Acquisition.

Under the default PFIC rules:

- the Acquisition may be treated as a taxable transaction even if it qualifies as a Reorganization as discussed above;
- any gain on the exchange of Fission Shares pursuant to the Acquisition and any “excess distribution” (defined as the excess of distributions with respect to the Fission Shares in any tax year over 125% of the average annual distributions such U.S. Holder has received from Fission during the shorter of the three preceding tax years or such U.S. Holder’s holding period for the Fission Shares), will be allocated ratably over such U.S. Holder’s holding period for the Fission Shares;
- the amounts allocated to the current tax year and to any tax year prior to the first year in which Fission was a PFIC will be taxed as ordinary income in the current year;
- the amounts allocated to each of the other tax years (“**prior PFIC years**”) will be subject to tax as ordinary income at the highest rate of tax in effect for the applicable class of taxpayer for that year;

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- an interest charge for a deemed deferral benefit will be imposed with respect to the resulting tax attributable to each of the prior PFIC years, which interest charge is not deductible by non-corporate U.S. Holders; and
- any loss realized would generally not be recognized.

The default PFIC rules described above with respect to the Arrangement, will generally not apply to a U.S. Holder that has made a Mark-to-Market Election under Section 1296 of the Code or a timely and effective QEF Election to treat Fission as a qualified electing fund (“QEF”) under Section 1295 of the Code.

U.S. Holders should be aware that there can be no assurances that Fission has satisfied or will satisfy the recordkeeping requirements that apply to a QEF, or that Fission has supplied or will supply U.S. Holders with information such U.S. Holders require to report under the QEF rules, in the event that Fission is a PFIC for any tax year. Thus, U.S. Holders may not have been able to make and may not be able to make a QEF Election with respect to their Fission Shares. Each U.S. Holder is urged to consult its own tax advisor regarding the availability of, and procedure for making, a QEF Election. A shareholder of PFIC stock who does not make a timely QEF Election is referred to in this section of the summary as a “Non-Electing Shareholder.”

Under proposed U.S. Treasury Regulations, a Non-Electing Shareholder does not recognize gain in a Reorganization where the Non-Electing Shareholder transfers stock in a PFIC so long as such Non-Electing Shareholder receives stock of another corporation that is a PFIC, for its taxable year that includes the day after the date of transfer, in exchange for its stock in a PFIC. For purposes of this summary, this exception will be referred to as the “PFIC-for-PFIC Exception.” However, a Non-Electing Shareholder generally does recognize gain (but not loss) in a Reorganization where the Non-Electing Shareholder transfers stock in a PFIC and receives stock of another corporation that is not a PFIC for its taxable year that includes the day after the date of transfer, in exchange for its stock in a PFIC.

While Fission believes it currently is a PFIC, Denison, based on current business plans and financial projections, does not expect to be classified as a PFIC for the tax year that includes the day after the Effective Date. Consequently, it is not expected that the PFIC-for-PFIC Exception will apply to the Acquisition, and therefore, under the foregoing rules contained in the proposed U.S. Treasury Regulations, a Non-Electing Shareholder will recognize gain (but not loss) on the Acquisition under the rules applicable to excess distributions and dispositions of PFIC stock set forth in Section 1291 of the Code, regardless of whether the Acquisition qualifies as a Reorganization. Under the rules applicable to excess distributions and dispositions of PFIC stock set forth in Section 1291 of the Code, the amount of any such gain recognized by a Non-Electing Shareholder in connection with the Acquisition would be equal to the excess, if any, of (A) the sum of the fair market value (expressed in U.S. dollars) of the Denison Shares and the U.S. dollar amount of the cash received in the Acquisition, over (B) the adjusted tax basis (expressed in U.S. dollars) of such Non-Electing Shareholder in the Fission Shares exchanged pursuant to the Acquisition. Such gain would be recognized on a share-by-share basis and would be taxable as if it were an excess distribution under the default PFIC rules, as described above.

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Accordingly, if the proposed U.S. Treasury Regulations were finalized and made applicable to the Acquisition (even if this occurs after the Effective Date), it is anticipated that the PFIC-for-PFIC Exception would not be available to Non-Electing Shareholders with respect to the Acquisition. Regardless of whether the PFIC-for-PFIC Exception applies, any income recognized as a result of the receipt of cash from Denison in the Acquisition will be subject to tax under the default PFIC rules discussed above for Non-Electing Shareholders.

Each U.S. Holder is urged to consult its own tax advisor regarding the potential application of the PFIC rules to the receipt of Denison Shares and cash pursuant to the Acquisition.

The proposed U.S. Treasury Regulations discussed above were proposed in 1992 and have not been adopted in final form. The proposed U.S. Treasury Regulations state that they are to be effective for transactions occurring on or after April 11, 1992. However, because the proposed U.S. Treasury Regulations have not yet been adopted in final form, they are not currently effective and there is no assurance they will be finally adopted in the form and with the effective date proposed. Further, it is uncertain whether the IRS would consider the proposed U.S. Treasury Regulations to be effective for purposes of determining the U.S. federal income tax treatment of the Acquisition. U.S. Holders are urged to consult their own tax advisors regarding whether the proposed U.S. Treasury Regulations under Section 1291 would apply if the Acquisition qualifies as a Reorganization. Additional information regarding the PFIC rules is discussed under "Passive Foreign Investment Company Rules Relating to the Ownership of Denison Shares" below.

### ***U.S. Holders Exercising Dissent Rights***

A U.S. Holder that exercises Dissent Rights and is paid cash in exchange for all of such U.S. Holder's Fission Shares generally will recognize gain or loss in an amount equal to the difference, if any, between (a) the U.S. dollar value of the Canadian currency received by such U.S. Holder in exchange for such U.S. Holder's Fission Shares (other than amounts, if any, that are or are deemed to be interest for U.S. federal income tax purposes, which amounts will be taxed as ordinary income) and (b) the adjusted tax basis of such U.S. Holder in such Fission Shares surrendered. Subject to the PFIC rules discussed in this summary, such gain or loss will be capital gain or loss, which will be long-term capital gain or loss if the holding period with respect to such Fission Shares is more than one year as of the date of the exchange. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to complex limitations under the Code.

### ***Ownership of Denison Shares***

The following discussion is subject to the PFIC rules discussed under "Passive Foreign Investment Company Rules Relating to the Ownership of Denison Shares".

### ***Distributions With Respect to Denison Shares***

A U.S. Holder that receives a distribution (including a constructive distribution) with respect to the Denison Shares will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to

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the extent of the current or accumulated “earnings and profits” of Denison, as determined under U.S. federal income tax rules. To the extent that a distribution exceeds the current and accumulated “earnings and profits” of Denison, such distribution will be treated (a) first, as a tax-free return of capital to the extent of a U.S. Holder’s tax basis in the Denison Shares, and (b) thereafter, as gain from the sale or exchange of such Denison Shares. (For a more detailed discussion, see below under the heading “Disposition of Denison Shares”). However, Denison may not maintain the calculations of earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder therefore should assume that any distribution by Denison with respect to Denison Shares will constitute ordinary dividend income. Dividends received on the Denison Shares generally will not be eligible for the “dividends-received deduction” available to U.S. corporate shareholders receiving dividends from U.S. corporations.

A dividend paid by Denison to a U.S. Holder who is an individual, estate or trust generally will be taxed at the preferential tax rates applicable to long-term capital gains if Denison is a “qualified foreign corporation” (“**QFC**”) and certain holding period requirements for the U.S. Holder’s Denison Shares and other requirements are met. A non-U.S. corporation generally will be a QFC if the corporation is eligible for the benefits of the U.S. Treaty or its shares are readily tradable on an established securities market in the United States. However, even if Denison satisfies one or more of these requirements, dividends paid by Denison would not be taxed at the preferential tax rates applicable to long-term capital gains if Denison is a PFIC for the tax year during which Denison pays the dividend or for the preceding tax year. (See the section below under the heading “Passive Foreign Investment Company Rules Relating to the Ownership of Denison Shares”). The dividend rules are complex, and each U.S. Holder is urged to consult its own tax advisor regarding the application of such rules.

### ***Disposition of Denison Shares***

A U.S. Holder will recognize capital gain or loss on the sale or other taxable disposition of Denison Shares in an amount equal to the difference, if any, between (a) the amount of cash plus the fair market value of any property received and (b) such U.S. Holder’s adjusted tax basis in the Denison Shares sold or otherwise disposed of. Any such capital gain or loss will be long-term capital gain or loss if the Denison Shares have been held for more than one year at the time of the sale or other taxable disposition.

Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to complex limitations under the Code.

### ***Passive Foreign Investment Company Rules Relating to the Ownership of Denison Shares***

If Denison is or becomes a PFIC, the preceding section of this summary may not describe the U.S. federal income tax consequences to U.S. Holders of the ownership and disposition of Denison Shares. The U.S. federal income tax consequences of owning and disposing of Denison Shares if Denison is or becomes a PFIC are described below.

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### ***PFIC Status of Denison***

If Denison were to constitute a PFIC for any tax year during a U.S. Holder's holding period, then certain potentially adverse rules may affect the U.S. federal income tax consequences to a U.S. Holder as a result of the ownership and disposition of Denison Shares.

Based on current business plans and financial expectations, Denison expects that it will not be a PFIC for its current tax year and the foreseeable future. The determination of whether any non-U.S. corporation was, or will be, a PFIC for a tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any non-U.S. corporation is a PFIC for any tax year depends on the assets and income of such corporation over the course of each such tax year and, as a result, cannot be predicted with certainty as of the date of this Circular. Accordingly, there can be no assurance that Denison will or will not be a PFIC for the current tax year or any future tax year or that the IRS will not challenge any determination made by Denison (or any subsidiary of Denison) concerning its PFIC status. Each U.S. Holder is urged to consult its own tax advisor regarding the PFIC status of Denison and any subsidiary of Denison and the application of the PFIC rules to the Denison Shares and the consequences of being treated as the owner of subsidiary PFICs.

In any tax year in which Denison is a PFIC, a U.S. Holder generally will be required to file an annual report with the IRS containing such information as U.S. Treasury Regulations and other IRS guidance may require. In addition to penalties, a failure to satisfy such reporting requirements may result in an extension of the time period during which the IRS can assess a tax. U.S. Holders are urged to consult their own tax advisors regarding the requirements of filing such information returns under these rules, including the requirement to file an IRS Form 8621.

Denison generally will be a PFIC for a tax year if, after the application of certain "look-through" rules with respect to subsidiaries in which Denison holds at least 25% of the value of such subsidiary, (a) 75% or more of its gross income is passive income or (b) 50% or more of the value of its assets either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value of such assets. "Gross income" generally includes all sales revenues less cost of goods sold, plus income from investments and from incidental or outside operations or sources, and "passive income" generally includes dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. Active business gains arising from the sale of commodities generally are excluded from passive income if substantially all (85% or more) of a non-U.S. corporation's commodities are stock in trade or inventory, depreciable property used in a trade or business or supplies regularly used or consumed in the ordinary course of its trade or business, and certain other requirements are satisfied. If Denison were a PFIC for any tax year, certain non-U.S. subsidiaries in which Denison has a direct or indirect interest could also be PFICs with respect to U.S. Holders.

If Denison were a PFIC in any tax year during which a U.S. Holder held Denison Shares, such holder generally would be subject to special rules with respect to any "excess distribution" made by Denison on the Denison Shares and with respect to gain from the disposition of the Denison Shares. An "excess distribution" generally is defined as the excess of distributions with respect

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to the Denison Shares received by a U.S. Holder in any tax year over 125% of the average annual distributions such U.S. Holder has received from Denison during the shorter of the three preceding tax years or such U.S. Holder's holding period for the Denison Shares. Generally, a U.S. Holder would be required to allocate any excess distribution or gain from the disposition of the Denison Shares ratably over its holding period for the Denison Shares. Such amounts allocated to the tax year of the disposition or excess distribution and to any tax year prior to the first year in which Denison was a PFIC would be taxed as ordinary income, and amounts allocated to all other tax years would be taxed as ordinary income at the highest tax rate in effect for each such tax year and an interest charge at a rate applicable to underpayments of tax would apply.

While there are U.S. federal income tax elections that sometimes can be made to mitigate these adverse tax consequences (including the QEF Election under Section 1295 of the Code and the Mark-to-Market Election" under Section 1296 of the Code), such elections are available in limited circumstances and must be made in a timely manner.

U.S. Holders should be aware that, for each tax year, if any, that Denison is a PFIC, Denison can provide no assurances that it will satisfy the recordkeeping requirements or make available to U.S. Holders the information such U.S. Holders require to make a QEF Election with respect to Denison or any subsidiary of Denison that also is classified as a PFIC.

U.S. Holders are urged to consult their own tax advisors regarding the potential application of the PFIC rules to the ownership and disposition of Denison Shares, and the availability of certain U.S. tax elections that may reduce the punitive impact of the PFIC rules for Denison and any subsidiary of Denison that is also a PFIC. U.S. Holders should also be aware that, although the rules are not clear under current law, the Mark-to-Market Election may not be available for subsidiary PFICs. Accordingly, it may well be that the Mark-to-Market Election will not mitigate the adverse tax consequences with respect to any interest in a subsidiary PFIC.

## **Additional Considerations**

### ***Foreign Tax Credit***

A U.S. Holder that pays (whether directly or through withholding) non-U.S. income tax in connection with the Arrangement or in connection with the ownership or disposition of Denison Shares may be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such non-U.S. income tax paid. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all creditable non-U.S. taxes paid (whether directly or through withholding) by a U.S. Holder during a tax year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source." Generally, dividends paid by a non-U.S. corporation should be treated as foreign source for this purpose, and gains recognized on the sale of stock of a non-U.S. corporation by a U.S. Holder

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should be treated as U.S. source for this purpose, except as otherwise provided in an applicable income tax treaty, and if an election is properly made under the Code. However, the amount of a distribution with respect to the Fission Shares or Denison Shares that is treated as a dividend may be lower for U.S. federal income tax purposes than it is for Canadian federal income tax purposes, resulting in a reduced foreign tax credit allowance to a U.S. Holder. In addition, this limitation is calculated separately with respect to specific categories of income. The foreign tax credit rules are complex, and each U.S. Holder is urged to consult its own tax advisor regarding the foreign tax credit rules.

### ***Receipt of Foreign Currency***

The amount of any distribution or proceeds paid in non-U.S. currency to a U.S. Holder in connection with the ownership of Denison Shares, or on the sale, exchange or other taxable disposition of Denison Shares, or any Canadian dollars received in connection with the Arrangement (including, but not limited to, U.S. Holders exercising Dissent Rights), will generally be included in the gross income of a U.S. Holder as translated into U.S. dollars calculated by reference to the exchange rate prevailing on the date of actual or constructive receipt of such amount, regardless of whether the Canadian dollars or other non-U.S. currency are converted into U.S. dollars at that time. If the Canadian dollars or other non-U.S. currency received is not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the Canadian dollars or other non-U.S. currency equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who receives payment in Canadian dollars or other non-U.S. currency and engages in a subsequent conversion or other disposition of the Canadian dollars or other non-U.S. currency may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally would be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method. Each U.S. Holder is urged to consult its own tax advisor regarding the U.S. federal income tax consequences of receiving, owning, and disposing of Canadian dollars or other non-U.S. currency.

### ***Information Reporting and Backup Withholding Tax***

Under U.S. federal income tax law, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, Fission or Denison. For example, U.S. return disclosure obligations (and related penalties) are imposed on individuals who are U.S. Holders that hold certain specified foreign financial assets in excess of certain thresholds. The definition of “specified foreign financial assets” includes not only financial accounts maintained in non-U.S. financial institutions, but also, if held for investment and not in an account maintained by certain financial institutions, any stock or security issued by a non-U.S. person, any financial instrument or contract that has an issuer or counterparty other than a U.S. person and any interest in a non-U.S. entity. U.S. Holders may be subject to these reporting requirements unless their Fission Shares or Denison Shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders are urged to consult with their own tax advisors regarding the requirements of filing information returns under these rules, including the requirement to file an IRS Form 8938.

Payments made within the United States or by a U.S. payor or U.S. middleman of (a) distributions on the Denison Shares, (b) proceeds arising from the sale or other taxable

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disposition of Denison Shares, or (c) any payments received in connection with the Arrangement (including, but not limited to, U.S. Holders exercising Dissent Rights) generally may be subject to information reporting. In addition, backup withholding, currently at a rate of 28% , may apply to such payments if a U.S. Holder (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on IRS Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding, or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding. Certain exempt persons generally are excluded from these information reporting and backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner. Each U.S. Holder is urged to consult its own tax advisor regarding the information reporting and backup withholding rules in their particular circumstances and the availability of and procedures for obtaining an exemption from backup withholding.

The discussion of reporting requirements set forth above is not intended to constitute an exhaustive description of all reporting requirements that may apply to a U.S. Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax, and, under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each U.S. Holder is urged to consult its own tax advisor regarding applicable reporting requirements and the information reporting and backup withholding rules.

## INFORMATION CONCERNING FISSION

### General

Fission is a Canadian based resource company specializing in the strategic exploration and development of the PLS Property - host to the Triple R uranium deposit - and is headquartered in Kelowna, British Columbia. Fission Shares are listed on the TSX under the symbol "FCU", the OTCQX marketplace in the U.S. under the symbol "FCUUF" and on the Frankfurt Stock Exchange under the symbol "2FU".

### Price Range and Trading Volume

The following table shows the high and low trading prices and monthly trading volume of the Fission Shares on the TSX for the six month period preceding the date of this Circular:

Date	High	Low	Volume
Sept 1 – Sept 14, 2015	\$0.83	\$0.70	5,295,726
August, 2015	\$0.86	\$0.66	11,078,571
July, 2015	\$1.10	\$0.67	35,891,797
June, 2015	\$1.16	\$0.96	17,007,020
May, 2015	\$1.19	\$1.10	11,958,726

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Date	High	Low	Volume
April, 2015	\$1.30	\$1.12	23,386,245
March, 2015	\$1.38	\$1.18	35,081,587

The closing price of the Fission Shares on the TSX on September 14, 2015 was \$0.71. The closing price of the Fission Shares on the TSX on July 3, 2015, the last trading day prior to the announcement of the Arrangement, was \$1.01.

If the Arrangement is completed, all of the Fission Shares will be owned by Denison and will be delisted from the TSX, subject to the rules and policies of the TSX.

### Prior Sales

The table below sets out information regarding any securities of Fission purchased or sold by Fission during the 12 months prior to the date of this Circular, excluding securities purchased or sold pursuant to the exercise of employee stock options, warrants and conversion rights:

Type of Security	Date	Price per share/Exercise price per option	Number of securities	Reason for issuance
Flow-through common shares	April 29, 2015	\$1.50	13,340,000	Fund exploration activities related to the PLS Property.
Flow-through common shares	September 23, 2014	\$1.50	9,602,500	As above.

### Previous Distribution

From Fission's incorporation on February 13, 2013 up to the date of this Circular, Fission has completed the following distributions of Fission Shares:

#### ***Fission Shares Issued in Connection with Certain Transactions***

On April 26, 2013, Fission Energy completed a court approved plan of arrangement with Denison (the "**2013 Denison Arrangement**") pursuant to which Denison acquired all of the issued and outstanding securities of Fission Energy, with Fission Energy spinning out certain assets into a newly-incorporated exploration company, Fission. In connection with the 2013 Denison Arrangement, the consideration to be received by the shareholders of Fission Energy consisted of 0.355 of a Denison Share, a nominal cash payment of \$0.0001 and one Fission Share for each common share of Fission Energy held. Pursuant to the 2013 Denison Arrangement, 149,445,871 Fission Shares, representing all outstanding common shares of Fission, were distributed to shareholders of Fission Energy.

On December 6, 2013, Fission completed a court approved plan of arrangement with Alpha (the "**Alpha Arrangement**"), under which Fission agreed to offer shareholders of Alpha 5.725 Fission Shares and a cash payment of \$0.0001 for each Alpha share held. Upon completion of

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the Alpha Arrangement, Fission issued 159,883,655 Fission Shares to former shareholders of Alpha at a deemed price of \$1.06 per Fission Share.

### ***Fission Shares Issued Upon Exchange of Subscription Receipts***

On December 9, 2013, following the satisfaction of certain conditions, including the completion of the plan of arrangement between Fission and Fission 3.0 Corp. (“**Fission 3.0**”) and the Alpha Arrangement, 8,581,700 subscription receipts were exchanged for that number of flow-through Fission Shares. The subscription receipts were issued on October 24, 2013 pursuant to a bought deal private placement of subscription receipts at a price of \$1.50 per subscription receipt for gross proceeds of \$12,872,550 (the “**Subscription Receipt Offering**”).

### ***Fission Shares Issued Upon Deemed Exercise of Special Warrants***

On April 1, 2014, Fission completed a private placement of 17,968,750 special warrants at a price of \$1.60 per special warrant, for gross proceeds of \$28,750,000. Each special warrant was exercisable for one Fission Share and all unexercised special warrants were deemed to be exercised following the occurrence of certain events. The Fission Shares underlying such special warrants were qualified by a short form prospectus filed on April, 24, 2014, and the Fission Shares were issued on April 28, 2014.

### ***Fission Shares Issued Pursuant to Flow-Through Share Offerings***

On September 23, 2014, Fission completed a private placement of 9,602,500 flow-through Fission Shares (inclusive of an over-allotment option), at a price of \$1.50 per flow-through Fission Share, for gross proceeds of \$14,403,750.

On April 29, 2015, Fission completed a private placement of 13,340,000 flow-through Fission Shares (inclusive of an underwriters’ over-allotment option) at a price of \$1.50 per flow-through Fission Share, for aggregate gross proceeds of \$20,010,000. The flow-through Fission Shares were offered by way of a short form prospectus filed in all of the provinces of Canada, except Quebec.

### ***Fission Shares Issued Upon the Exercise of Warrants***

From incorporation on February 13, 2013 to June 30, 2013, Fission issued 200,000 Fission Shares upon the exercise of Fission Warrants with an exercise price of \$0.3528 per Fission Share.

From July 1, 2013 to June 30, 2014, Fission issued 4,373,409 Fission Shares upon the exercise of Fission Warrants, representing a range of exercise prices of \$0.1496 to \$0.8133 per Fission Share.

From July 1, 2014 to June 30, 2015, Fission issued 7,071,661 Fission Shares upon the exercise of Fission Warrants, representing a range of exercise prices of \$0.3028 to \$0.8133 per Fission Share.

From July 1, 2015 to the date hereof no Fission Warrants were exercised.

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### **Common Shares Issued Upon the Exercise of Stock Options**

From incorporation on February 13, 2013, to June 30, 2013 Fission issued 248,715 Fission Shares upon the exercise of Fission Options, representing a range of exercise prices of \$0.2985 to \$0.5807 per Fission Share.

From July 1, 2013 to June 30, 2014, Fission issued 11,607,360 Fission Shares upon the exercise of Fission Options, representing a range of exercise prices of \$0.1146 to \$0.73 per Fission Share.

From July 1, 2014 to June 30, 2015, Fission issued 3,914,500 Fission Shares upon the exercise of Fission Options, representing a range of exercise prices of \$0.1203 to \$1.20 per Fission Share.

From July 1, 2015 to the date hereof no Fission Options were exercised.

### **Dividends or Capital Distributions**

Other than the distribution of common shares of Fission 3.0 to Fission Shareholders in connection with a plan of arrangement between Fission and Fission 3.0, effective December 6, 2013, the Company has not, since the date of its incorporation, declared or paid any cash dividends or capital distributions on its common shares and does not currently have a policy with respect to the payment of dividends. For the immediate future Fission does not envisage any earnings arising from which dividends could be paid.

### **Ownership of Securities**

The table below outlines, as at the date of this Circular, the number of Fission Shares and Fission Options owned or controlled, directly or indirectly, by each of the directors and officers of Fission, and each associate or affiliate of an insider of Fission, each associate or affiliate of Fission, each insider of Fission (other than the directors or officers), and each person acting jointly or in concert with Fission. To the knowledge of Fission, each of the following persons intends to vote their Fission Shares for the Arrangement Resolution.

<b>Name</b>	<b>Position</b>	<b>Fission Shares</b>	<b>Fission Options</b>
Devinder Randhawa	Chief Executive Officer/Director	3,821,903	4,366,667
Ross McElroy	President/Chief Operating Officer/Director	1,789,834	4,353,333
Paul Charlish	Chief Financial Officer	Nil	1,195,000
Anthony Milewski	Director	Nil	1,325,000
Frank Estergaard	Director	861,300	2,385,000
Jeremy Ross	Director	Nil	1,165,000
William Marsh	Director	9,900	2,110,000

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## INFORMATION CONCERNING DENISON

Denison is a uranium exploration and development company with interests in exploration and development projects in Saskatchewan, Zambia, Namibia, Mali and Mongolia. Denison's interests in Saskatchewan include the 60% owned Wheeler River project, host of the Phoenix deposit and the Gryphon discovery, a 22.5% ownership interest in the McClean Lake joint venture and a 25.17% interest in the Midwest joint venture, all of which are held directly or indirectly through Denison Mines Inc. ("**DMI**"). Denison also holds a 60% interest in the Waterbury Lake project in Saskatchewan through its wholly owned subsidiary, Denison Waterbury Corp. and a 30% interest in the Mann Lake joint venture through its wholly owned subsidiary, Denison AB Holdings Corp.

The McClean Lake joint venture and the Midwest project are operated by Denison's joint venture partner, AREVA Resources Canada Inc., a subsidiary of the AREVA Group. Denison also participates in a toll-milling arrangement through the McClean Lake joint venture whereby ore is processed for the Cigar Lake joint venture at the McClean Lake mill. Beyond Canada, Denison owns the Mutanga uranium project in Zambia, the Falea uranium, silver and copper project in Mali, and interests in mineral exploration and development properties in Namibia and Mongolia. On July 29, 2015, Denison entered into an agreement to sell Denison Mines (Mongolia) Ltd. which subsidiary holds all of Denison's interests in mining assets and operations located in Mongolia.

Denison is also engaged in mine decommissioning and environmental services through its Denison Environmental Services division.

Denison's wholly owned subsidiary, DMI, is also the manager of Uranium Participation Corporation, a publicly traded company listed on the TSX under the symbol "U", which invests in uranium oxide in concentrates and uranium hexafluoride. Denison's key assets are as follows:

- (a) A 60% interest in the Wheeler River project which includes the Phoenix deposit and the newly discovered Gryphon zone.
- (b) A 22.50% interest in the McClean Lake uranium processing facility and uranium deposits in northern Saskatchewan.
- (c) A 25.17% interest in the Midwest uranium project, including the Midwest and the Midwest A deposits in northern Saskatchewan.
- (d) An extensive portfolio of exploration and development property interests in the Athabasca Basin including: Moore Lake (100%), Waterbury Lake (60%), Hatchet Lake (58.06%), Crawford/Bachman Lake (100%), Bell Lake (100%) and Mann Lake (30%).

Further information regarding the businesses of Denison and the Combined Company, their operations and mineral properties can be found in Appendix "E" and Appendix "F", respectively, to this Circular.

If you have any questions or need assistance completing your proxy or voting instruction form, please call Kingsdale Shareholder Services at 1-877-659-1824 toll-free in North America, collect at 416-867-2272 outside of North America or email [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

### **Other Matters**

Management of Fission is not aware of any matters to come before the Meeting other than as set forth in the Notice of Special Meeting that accompanies this Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Form of Proxy to vote the Fission Shares represented thereby in accordance with their best judgment on such matter.

### **ADDITIONAL INFORMATION**

Additional information relating to Fission is available under its profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). Financial and other information of Fission is provided in its audited consolidated financial statements and management's discussion and analysis for the financial year ended June 30, 2015, which can be found under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and will be sent without charge to any securityholder upon request by contacting the Chief Financial Officer of Fission at 700 - 1620 Dickson Ave., Kelowna, British Columbia V1Y 9Y2 or by facsimile transmission to (250) 868-8493. Unless otherwise indicated, information in this Circular is provided as at September 15, 2015.

### **APPROVAL OF DIRECTORS**

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

September 15, 2015

### **BY ORDER OF THE BOARD OF DIRECTORS**

*(Signed) Ross McElroy*

President, COO & Director

If you have any questions or need assistance completing your proxy or voting instruction form, please call Kingsdale Shareholder Services at 1-877-659-1824 toll-free in North America, collect at 416-867-2272 outside of North America or email [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

## **CONSENT OF DUNDEE SECURITIES LTD.**

### **To: The Board of Directors of Fission Uranium Corp.**

We refer to the written fairness opinion dated as of July 6, 2015 (the “**Fairness Opinion**”), prepared for the Board of Directors of Fission Uranium Corp. (“**Fission**”), in connection with the Arrangement (as defined in Fission Uranium Corp’s management information circular dated September 15, 2015 (the “**Circular**”), between Fission and Denison Mines Corp.

We consent to the inclusion of the Fairness Opinion, a summary of the Fairness Opinion and the use of our firm name in this Circular. In providing such consent, we do not intend that any person other than the Board of Fission Uranium Corp. shall rely upon the Fairness Opinion.

**“DUNDEE SECURITIES LTD.”**

Toronto, Ontario  
September 15, 2015



**APPENDIX “A”  
ARRANGEMENT RESOLUTION**

The text of the Fission Arrangement Resolution which the Fission Shareholders will be asked to pass at the Meeting is as follows:

**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

- (1) the arrangement (the “**Arrangement**”) under Section 192 of the *Canada Business Corporations Act* (the “**CBCA**”) involving Denison Mines Corp. (“**Denison**”), 9373721 Canada Inc. (“**Subco**”) and Fission Uranium Corp. (“**Fission**”) and shareholders of Fission, all as more particularly described and set forth in the management information circular (the “**Circular**”) of Fission accompanying the notice of this meeting (as the Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted;
- (2) the arrangement agreement (the “**Arrangement Agreement**”) among Denison, Subco and Fission dated July 27, 2015 and all the transactions contemplated therein, the full text of which is attached as an Appendix to the Circular, the actions of the directors of Fission in approving the Arrangement and the actions of the directors and officers of Fission in executing and delivering the Arrangement Agreement and any amendments thereto are hereby ratified and approved;
- (3) the plan of arrangement (the “**Plan of Arrangement**”) of Fission implementing the Arrangement, the full text of which is set out in Schedule “A” to the Arrangement Agreement (as the Plan of Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted;
- (4) notwithstanding that this resolution has been passed (and the Arrangement approved) by the shareholders of Fission or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of Fission are hereby authorized and empowered, without further notice to, or approval of, the shareholders of Fission to:
  - a. amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or
  - b. subject to the terms of the Arrangement Agreement, not proceed with the Arrangement;
- (5) any director or officer of Fission is hereby authorized and directed for and on behalf of Fission to execute, whether under corporate seal of Fission or otherwise, and to deliver articles of arrangement and amalgamation and such other documents as are necessary or desirable to the Director under the CBCA in accordance with the Arrangement Agreement for filing; and
- (6) any one or more directors or officers of Fission is hereby authorized, for and on behalf and in the name of Fission, to execute and deliver, whether under corporate seal of Fission or otherwise, 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 Fission, 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 Fission;

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.

**APPENDIX “B”  
PLAN OF ARRANGEMENT**

**PLAN OF ARRANGEMENT UNDER SECTION 192  
OF THE CANADA BUSINESS CORPORATIONS ACT**

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of those terms shall have corresponding meanings:

- (a) **“Arrangement”** means the arrangement of Fission under Section 192 of the CBCA, on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations hereto made in accordance with Section 8.5 of the Arrangement Agreement or Article 7 of this Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of Fission and Denison, each acting reasonably;
- (b) **“Arrangement Agreement”** means the arrangement agreement dated July 27 2015, including all schedules annexed thereto, together with the Fission disclosure letter and Denison disclosure letter, as the same may be supplemented or amended from time to time in accordance with the terms thereof;
- (c) **“Articles of Arrangement”** means the articles of arrangement of Fission in respect of the Arrangement, required by the CBCA to be sent to the Director after the Final Order is made, which shall be in a form and content satisfactory to Fission and Denison, each acting reasonably;
- (d) **“Business Day”** means any day of the year, other than a Saturday, Sunday or statutory holiday in Toronto, Ontario or Vancouver, British Columbia;
- (e) **“CBCA”** means the *Canada Business Corporations Act* including all regulations made thereunder;
- (f) **“Consideration Share Maximum”** means the total number of Denison Shares outstanding (on an undiluted basis) immediately prior to the completion of the Arrangement less 100,000;
- (g) **“Consideration”** means the consideration to be received by Fission Shareholders pursuant to the Plan of Arrangement in respect of each Fission Share that is issued and outstanding immediately prior to the Effective Time, comprising (i) 1.26 Denison Shares (subject to adjustment of the Exchange Ratio), and (ii) cash in the amount of \$0.0001, for each Fission Share;
- (h) **“Court”** means the Supreme Court of British Columbia;
- (i) **“CRA”** means the Canada Revenue Agency;
- (j) **“Denison”** means Denison Mines Corp.;
- (k) **“Denison Replacement Option”** has the meaning ascribed thereto in Section 3.1(a)(iii) of this Plan of Arrangement;

- (l) **“Denison Share Consolidation”** means the consolidation of the Denison Shares on a 2-for-1 basis following the completion of the Arrangement;
- (m) **“Denison Shares”** means common shares in the authorized share capital of the Denison;
- (n) **“Depository”** means Computershare Trust Company of Canada;
- (o) **“Director”** means the director appointed pursuant to Section 260 of the CBCA;
- (p) **“Dissent Rights”** has the meaning ascribed thereto in Section 5.1;
- (q) **“Dissenting Shares”** means the Fission Shares held by Dissenting Shareholders in respect of which such Dissenting Shareholders have given Notice of Dissent;
- (r) **“Dissenting Shareholder”** means a registered holder of Fission Shares who has duly and validly exercised the Dissent Rights in respect of the Fission Arrangement Resolution in strict compliance with the Dissent Rights and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;
- (s) **“Effective Date”** means the date shown on the certificate of arrangement to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement giving effect to the Arrangement which shall be no later than October 30, 2015;
- (t) **“Effective Time”** means 12:01 a.m. (Toronto time) on the Effective Date or such other time as Fission and Denison may agree upon in writing;
- (u) **“Eligible Shareholder”** means a beneficial holder of Fission Shares that is: (i) a resident of Canada for the purposes of the Tax Act and not exempt under Part I of the Tax Act; (ii) a non-resident of Canada for purposes of the Tax Act whose Fission Shares are “taxable Canadian property” and not “treaty-protected property”, in each case as defined in the Tax Act; or (iii) a partnership, any member of which is described in (i) or (ii);
- (v) **“Exchange Ratio”** means 1.26 Denison Shares for each Fission Share, provided that in no event shall the number of Denison Shares issued be greater than the Consideration Share Maximum, and if the completion of the Arrangement would require the issue of that greater number of Denison Shares, the Exchange Ratio shall be adjusted such that the total number of Denison Shares issued does not exceed the Consideration Share Maximum;
- (w) **“Fair Market Value”** with reference to:
  - (i) a Denison Share means the amount that is the closing price of the Denison Shares on the TSX on the last trading day immediately prior to the Effective Date;
  - (ii) a Fission Share means the amount that is the Fair Market Value of a Denison Share multiplied by the Exchange Ratio;
- (x) **“Final Order”** means the order of the Court granted pursuant to Section 192 of the CBCA, in a form acceptable to each of Fission and Denison, each acting reasonably, approving the Arrangement, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of Fission and Denison, each acting reasonably) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided, however, that any such amendment is acceptable to Fission, and Denison, each acting reasonably) on appeal unless such appeal is withdrawn, abandoned or denied;

- (y) **"Fission"** means Fission Uranium Corp., a corporation incorporated under the federal laws of Canada;
- (z) **"Fission Arrangement Resolution"** means the special resolution of the Fission Shareholders approving the Plan of Arrangement, which is to be considered at the Fission Meeting, substantially in the form of Schedule B to the Arrangement Agreement;
- (aa) **"Fission Change of Control Payment"** means all obligations of Fission pursuant to severance and/or change of control payments which may become payable to any director, officer, employee, consultant, consulting company or service company as a result of the Arrangement;
- (bb) **"Fission Option Plan"** means the stock option plan of Fission last approved by Fission Shareholders on August 7, 2014;
- (cc) **"Fission Options"** means, at any time, options to acquire Fission Shares granted under the Fission Option Plan which are, at such time, outstanding and unexercised, whether or not vested;
- (dd) **"Fission Meeting"** means the special meeting of the Fission Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider the Fission Arrangement Resolution;
- (ee) **"Fission Shareholders"** means the holders of Fission Shares;
- (ff) **"Fission Shares"** means the common shares in the authorized share capital of Fission;
- (gg) **"Fission Share Letter of Transmittal"** means the letter of transmittal to be delivered by Fission to the Fission Shareholders providing for the delivery of Fission Shares to the Depositary;
- (hh) **"Fission Warrants"** means at any time, the common share purchase warrants to acquire Fission Shares which are at such time outstanding and unexercised;
- (ii) **"Former Fission Shareholders"** means the holders of Fission Shares immediately prior to the Effective Time;
- (jj) **"Governmental Entity"** (i) any multinational or supranational body or organization, nation, government, state, province, country, territory, municipality, quasi-government, administrative, judicial or regulatory authority, agency, board, body, bureau, commission, instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) thereof, any taxing authority, any ministry or department or agency of any of the foregoing, (ii) any self-regulatory organization or stock exchange, including the Toronto Stock Exchange and the NYSE MKT LLC, (iii) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, (iv) the Commissioner under the *Competition Act* (Canada) or any Person duly authorized to exercise the powers of the Commissioner under the *Competition Act* (Canada), and (iv) any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of such entities or other bodies pursuant to the foregoing;
- (kk) **"holder"**, when used with reference to any securities of Fission, means the holder of such securities shown from time to time in the central securities register maintained by or on behalf of Fission in respect of such securities;



- (ll) **“In-The-Money Amount”** in respect of a stock option means the amount, if any, by which the aggregate Fair Market Value at that time of the securities subject to the option exceeds the aggregate exercise price of the option;
- (mm) **“Interim Order”** means the interim order of the Court to be issued following the application therefor contemplated by Section 2.2 of the Arrangement Agreement, in a form acceptable to Fission and Denison, each acting reasonably, providing for, among other things, the calling and holding of the Fission Meeting, as the same may be affirmed, amended, modified, supplemented or varied by the Court with the consent of Fission and Denison, each acting reasonably;
- (nn) **“Liens”** means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachments, option, right of first refusal or first offer, occupancy right, covenant, assignment, lien (statutory or otherwise), defect of title, or restriction or adverse right or claim, or other third party interest or encumbrance of any kind, in each case, whether contingent or absolute;
- (oo) **“Notice of Dissent”** means a notice of dissent duly and validly given by a registered holder of Fission Shares exercising Dissent Rights as contemplated in the Interim Order and as described in Article 5;
- (pp) **“Plan of Arrangement”** means this plan of arrangement and any amendments or variations hereto made from time to time in accordance with the Arrangement Agreement, the terms hereof or upon the direction of the Court in the Interim Order or the Final Order, with the consent of Fission and Denison, each acting reasonably;
- (qq) **“Retention Bonus Payments”** means those retention bonuses payable in the amounts and to the individuals set forth in Schedule F to the Arrangement Agreement, by Fission or Denison, as the case may be
- (rr) **“Section 85 Election”** has the meaning ascribed thereto in subsection 3.2(b) hereof;
- (ss) **“Subco”** means 9373721 Canada Inc., a wholly owned subsidiary of Denison;
- (tt) **“Tax Act”** means the *Income Tax Act* (Canada) including all regulations thereunder;
- (uu) **“U.S. Securities Act”** means the United States *Securities Act of 1933*, as amended and the rules and regulations promulgated thereunder; and
- (vv) **“U.S. Tax Code”** means the U.S Internal Revenue Code of 1986, as amended.

Any capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Arrangement Agreement. In addition, words and phrases used herein and defined in the CBCA and not otherwise defined herein or in the Arrangement Agreement shall have the same meaning herein as in the CBCA unless the context otherwise requires.

## 1.2 Interpretation Not Affected by Headings, etc.

The division of this Plan of Arrangement into Articles, Sections, paragraphs and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise indicated, all references to an “Article”, “Section” or “paragraph” followed by a number and/or a letter refer to the specified Article, Section or paragraph of this Plan of Arrangement.

### **1.3 Number**

In this Plan of Arrangement, unless the context otherwise requires, words used herein importing the singular include the plural and *vice versa*.

### **1.4 Date of Any Action**

In the event that any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

### **1.5 Time**

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein or in any letter of transmittal contemplated herein are local time (Vancouver, British Columbia) unless otherwise stipulated herein or therein.

### **1.6 Currency**

Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada.

## **ARTICLE 2** **EFFECT OF THE ARRANGEMENT**

### **2.1 Arrangement Agreement**

This Plan of Arrangement is made pursuant to, is subject to the provisions of, and forms a part of the Arrangement Agreement, except in respect of the sequence of the steps comprising the Arrangement, which shall occur in the order set forth herein.

### **2.2 Binding Effect**

This Plan of Arrangement will become effective at the Effective Time and shall be binding upon Denison, Subco, Fission, the Fission Shareholders, the holders of Fission Options and the holders of Fission Warrants.

## **ARTICLE 3** **ARRANGEMENT**

### **3.1 The Arrangement**

Commencing at the Effective Time, each of the events set out below shall occur and be deemed to occur in the following sequence, in each case effective as at one minute intervals starting at the Effective Time, without any further authorization, act or formality of or by Fission, Denison or any other person:

(a) At the Effective Time:

- (i) each Fission Share held by a Dissenting Shareholder shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all Liens, to Denison and Denison shall thereupon be obliged to pay the amount therefor determined and payable in accordance with Article 5 hereof, and the name of such holder shall be removed from the central securities register of Fission as a holder of Fission Shares and Denison shall be recorded as the registered holder

of the Fission Shares so transferred and shall be deemed to be the legal owner of such Fission Shares;

- (ii) each outstanding Fission Share (other than Fission Shares held by Denison or any affiliate thereof or dealt with pursuant to subsection 3.1(a)(i) hereof) will, without further act or formality by or on behalf of a holder of Fission Shares, be irrevocably assigned and transferred by the holder thereof to Denison (free and clear of all Liens) in exchange for 1.26 Denison Shares (subject to adjustment of the Exchange Ratio) and \$0.0001 in cash for each Fission Share held, and
  - A. the holders of such Fission Shares shall cease to be the holders thereof and to have any rights as holders of such Fission Shares other than the right to receive 1.26 Denison Shares (subject to adjustment of the Exchange Ratio) and \$0.0001 in cash per Fission Share in accordance with this Plan of Arrangement;
  - B. such holders' name shall be removed from the register of the Fission Shares maintained by or on behalf of Fission; and
  - C. Denison shall be deemed to be the transferee and the legal and beneficial holder of such Fission Shares (free and clear of all Liens) and shall be entered as the registered holder of such Fission Shares in the register of the Fission Shares maintained by or on behalf of Fission.
- (iii) each Fission Option outstanding immediately prior to the Effective Time will be exchanged for an option (each, a **"Denison Replacement Option"**) to purchase from Denison the number of Denison Shares equal to the product of (A) the number of Fission Shares subject to the Fission Option immediately before the Effective Time, and (B) the Exchange Ratio, provided that if the foregoing would result in the issuance of a fraction of a Denison Share on any particular exercise of Denison Replacement Options, then the number of Denison Shares otherwise issued shall be rounded down to the nearest whole number of Denison Shares. The exercise price per Denison Share subject to any such Denison Replacement Option shall be an amount (rounded to the nearest fourth decimal place) equal to the quotient of (A) the exercise price per Fission Share under the exchanged Fission Option immediately prior to the Effective Time divided by (B) the Exchange Ratio (provided that the aggregate exercise price payable on any particular exercise of Denison Replacement Options shall be rounded up to the nearest whole cent). It is intended that the provisions of subsection 7(1.4) of the Tax Act apply to the aforesaid exchange of options. Accordingly, and notwithstanding the foregoing, if required, the exercise price of a Denison Replacement Option will be adjusted such that the In-The-Money Amount of the Denison Replacement Option immediately after the exchange does not exceed the In-The-Money Amount of the Fission Option immediately before the exchange. All terms and conditions of a Denison Replacement Option, including the term to expiry, conditions to and manner of exercising, will be the same as the Fission Option for which it was exchanged, and shall be governed by the terms of the Fission Option Plan and any document evidencing a Fission Option shall thereafter evidence and be deemed to evidence such Denison Replacement Option.
- (iv) each Fission Share held by Denison shall be transferred to Subco in consideration of the issue by Subco to Denison of one common share of Subco for each Fission Share so transferred, and the amount added to the stated capital of the Subco common shares will be equal to the paid up capital (as such term is defined in the Tax Act) of the Fission Shares so transferred;

- (v) the aggregate stated capital in respect of the Fission Shares shall be reduced to \$1.00 without any repayment of capital in respect thereof;
- (vi) Fission will file an election with the CRA to cease to be a public corporation for the purposes of the Tax Act;
- (vii) Fission and Subco shall amalgamate to form one corporate entity ("**Amalco**") with the same effect as if they had amalgamated under Section 181 of the CBCA, except that the legal existence of Subco shall not cease and Subco shall survive;
- (viii) without limiting the generality of subsection 3.1(a)(vii), the separate legal existence of Fission shall cease without Fission being liquidated or wound up and Fission and Subco shall continue as one company and the property of Fission shall become the property of Subco;
- (ix) from and after the Effective Date, :
  - A. Amalco will own and hold all property of Fission and Subco and, without limiting the provisions hereof, all rights of creditors or others will be unimpaired by such amalgamation, and all liabilities and obligations of Fission and Subco, whether arising by contract or otherwise, may be enforced against Amalco to the same extent as if such obligations had been incurred or contracted by it;
  - B. Amalco will continue to be liable for all of the liabilities and obligations of Fission and Subco;
  - C. all rights, contracts, permits and interests of Fission and Subco will continue as rights, contracts, permits and interests of Amalco as if Fission and Subco continued and, for greater certainty, the amalgamation will not constitute a transfer or assignment of the rights or obligations of either of Fission or Subco under any such rights, contracts, permits and interests;
  - D. any existing cause of action, claim or liability to prosecution will be unaffected;
  - E. a civil, criminal or administrative action or proceeding pending by or against either Subco or Fission may be continued by or against Amalco;
  - F. a conviction against, or ruling, order or judgment in favour of or against either Fission or Subco may be enforced by or against Amalco;
  - G. Denison shall receive on the amalgamation one Amalco common share in exchange for each Subco common share previously held and all of the issued and outstanding Fission Shares will be cancelled without any repayment of capital in respect thereof;
  - H. the name of Amalco shall be "●";
  - I. the registered office of Amalco shall be located in the City of Toronto in the Province of Ontario, and the address of the first registered office of Amalco shall be 199 Bay Street, Suite 4000, Commerce Court West, Toronto, ON M5L 1A9;

- J. Amalco shall be authorized to issue an unlimited number of common shares;
- K. subject to the provisions of the CBCA, no share of Amalco may be transferred after the Effective Time unless its transfer complies with the restriction on the transfer of securities set out in clause (Q) below;
- L. the stated capital of the common shares of Amalco will be an amount equal to the paid-up capital, as that term is defined in the Tax Act, attributable to the common shares of Subco immediately prior to the amalgamation;
- M. the board of directors of Amalco shall, until otherwise changed in accordance with the CBCA, consist of a minimum number of one (1) director and a maximum number of ten (10) directors;
- N. the first directors of Amalco shall be the persons whose names and addresses appear below:

<b>Name</b>	<b>Address for Service</b>	<b>Resident Canadian</b>
David Cates	199 Bay Street, Suite 4000 Commerce Court West Toronto, ON M5L 1A9	Yes

- O. there shall be no restrictions on the business which Amalco is authorized to carry on or on the powers which Amalco may exercise;
- P. the by-laws of Amalco, until repealed, amended or altered, shall be the by-laws of Subco; and
- Q. without in any way restricting the powers conferred upon Amalco or its board of directors by the CBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced, the board of directors may from time to time, without authorization of the shareholders, in such amounts and on such terms as it deems expedient:
  - (i) borrow money upon the credit of Amalco;
  - (ii) issue, re-issue, sell or pledge debt obligations of Amalco;
  - (iii) subject to the provisions of the CBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced, give a guarantee on behalf of the corporation to secure performance of an obligation of any person; and
  - (iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the corporation owned or subsequently acquired, to secure any obligation of Amalco.
- R. The board of directors may from time to time delegate to a director, a committee of directors or an officer of Amalco any or all of the powers conferred on the board of directors as set out above, to such extent and in

such manner as the board of directors shall determine at the time of such delegation.

S. No securities of Amalco, other than non-convertible debt securities, shall be transferred without either:

(i) the approval of the directors of Amalco expressed by a resolution passed at a meeting of the board of directors or by a resolution in writing signed by all of the directors entitled to vote on that resolution at a meeting of directors; or

(ii) the approval of the holders of shares of Amalco carrying at least a majority of the votes entitled to be cast at a meeting of shareholders, expressed by a resolution passed at a meeting of the holders of such shares or by an instrument or instruments in writing signed by the holders of a majority of such shares.

(x) the exchanges and cancellations provided for in this Section 3.1 will be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto are not completed until after the Effective Date.

### 3.2 Post Effective Time Procedures

(a) Subject to the provisions of Article 5 hereof, and upon return of a properly completed Fission Share Letter of Transmittal by a registered Former Fission Shareholder together with certificates representing Fission Shares and such other documents as the Depositary may require, Former Fission Shareholders shall be entitled to receive delivery of the certificates representing the Denison Shares and a cheque representing the net cash payment to which they are entitled pursuant to Section 3.1(a) hereof.

(b) An Eligible Shareholder whose Fission Shares are exchanged for the Consideration pursuant to the Arrangement shall be entitled to make a joint income tax election, pursuant to Section 85 of the Tax Act (and any analogous provision of provincial income tax law) (a “**Section 85 Election**”) with respect to the exchange. Eligible Shareholders will be able to submit the necessary information electronically and a secure special purpose website will be made available to the Eligible Shareholders to assist with this process. The information to be provided by the Eligible Shareholder will include the number of shares transferred, the transferred properties’ cost base, the applicable agreed amounts for the purposes of such election and other information necessary to complete the Section 85 Election. Denison shall, within 90 days after receiving the electronic submission, and subject to such submission being correct and complete and complying with requirements imposed under the Tax Act (or applicable provincial income tax law), sign and return a copy of a completed Section 85 Election to the Eligible Shareholder for filing with the CRA (or the applicable provincial tax authority). Neither Fission, Denison nor any successor corporation shall be responsible for the proper completion of any joint election form nor, except for the obligation to sign and return duly completed joint election forms which are received within 90 days of the Effective Date, for any taxes, interest or penalties resulting from the failure of an Eligible Shareholder to properly complete or file such joint election forms in the form and manner and within the time prescribed by the Tax Act (or any applicable provincial legislation). In its sole discretion, Denison or any successor corporation may choose to sign and return a joint election form received by it more than 90 days following the Effective Date, but will have no obligation to do so.

(c) Upon receipt of a Fission Share Letter of Transmittal in which an Eligible Shareholder has indicated that the Eligible Shareholder intends to make a Section 85 Election, Denison will promptly make available through a special purpose website, a tax instruction letter (and a tax



instruction letter for the equivalent provincial elections, if applicable), together with the relevant tax election forms (including the provincial tax election forms, if applicable) to the Eligible Shareholder.

### **3.3 No Fractional Shares**

In no event shall any holder of Fission Shares be entitled to a fractional Denison Share. Where the aggregate number of Denison Shares to be issued to a person as consideration under or as a result of this Arrangement would result in a fraction of a Denison Share being issuable, the number of Denison Shares to be received by such securityholder shall be rounded down to the nearest whole Denison Share and no person will be entitled to any compensation in respect of a fractional Denison Share.

### **3.4 No Fractional Cash Consideration**

Any cash consideration owing to a Former Fission Shareholder shall be rounded up to the next whole cent.

### **3.5 U.S. Tax Treatment**

The Arrangement is intended to qualify as a reorganization within the meaning of Sections 368(a)(1)(A) and 368(a)(2)(D) of the U.S. Tax Code. Each of the parties hereto shall treat the Arrangement as a reorganization within the meaning of Section 368(a) of the U.S. Tax Code for all U.S. federal and applicable state income tax purposes and shall not take any position inconsistent with such treatment, unless otherwise required by a “determination” within the meaning of Section 1313 of the U.S. Tax Code that such treatment is not correct.

## **ARTICLE 4** **WARRANTS**

### **4.1 Warrants**

Each Fission Warrant shall be adjusted in accordance with the adjustment provisions in the relevant warrant certificate or warrant indenture such that following the completion of the Arrangement, each holder of Fission Warrants shall receive, upon exercise thereof, that number of Denison Shares determined in accordance with the Exchange Ratio and the anti-dilution provisions of such Warrants, in lieu of each Fission Share to which it was otherwise entitled to receive upon exercise.

### **4.2 Exercise of Warrants Post-Effective Time**

Upon any valid exercise of a Warrant after the Effective Time, Denison shall issue the number of Denison Shares necessary to settle such exercise, provided that Denison has received the Warrant exercise price.

## **ARTICLE 5** **DISSENT RIGHTS**

### **5.1 Rights of Dissent**

Pursuant to the Interim Order, each registered Fission Shareholder may exercise rights of dissent (“**Dissent Rights**”) under Section 190 of the CBCA as modified by this Article 5 as the same may be modified by the Interim Order or the Final Order in respect of the Arrangement, provided that the written objection to the Fission Arrangement Resolution contemplated by Section 190 of the CBCA must be sent to and received by Fission at least two days before the Fission Meeting. Fission Shareholders who duly exercise such rights of dissent and who:

(a) are ultimately determined to be entitled to be paid fair value from Denison, for the Dissenting Shares in respect of which they have exercised Dissent Rights, will be deemed to have irrevocably transferred such Dissenting Shares to Denison pursuant to Section 3.1(a)(i) in consideration of such fair value; or

(b) are ultimately not entitled, for any reason, to be paid fair value for the Dissenting Shares in respect of which they have exercised Dissent Rights, will be deemed to have participated in the Arrangement on the same basis as a Fission Shareholder who has not exercised Dissent Rights;

but in no case will Fission or Denison or any other person be required to recognize such holders as holders of Fission Shares after the completion of the steps set forth in Section 3.1(a), and each Dissenting Shareholder will cease to be entitled to the rights of a Fission Shareholder in respect of the Fission Shares in relation to which such Dissenting Shareholder has exercised Dissent Rights and the central securities register of Fission will be amended to reflect that such former holder is no longer the holder of such Fission Shares as and from the completion of the steps in Section 3.1(a)

## **ARTICLE 6**

### **CERTIFICATES AND PAYMENTS**

#### **6.1 Payment of Consideration**

(a) Following the receipt of the Final Order and prior to the Effective Date, Denison shall deliver or arrange to be delivered to the Depositary certificates representing the Denison Shares required to be issued to Former Fission Shareholders and Denison shall deliver to the Depositary the requisite cash required to be paid to Former Fission Shareholders, in accordance with the provisions of Section 3.1(a) hereof, which certificates and cash shall be held by the Depositary as agent and nominee for such Former Fission Shareholders for distribution to such Former Fission Shareholders in accordance with the provisions of this Article 6 hereof.

(b) As soon as practicable following the later of the Effective Date and the surrender to the Depositary for cancellation of a certificate that immediately prior to the Effective Time represented outstanding Fission Shares that were transferred under Section 3.1(a), together with a duly completed Fission Share Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require and such other documents and instruments as would have been required to effect such transfer under the CBCA, the *Securities Transfer Act* (British Columbia) and the articles of Fission after giving effect to Section 3.1(a) the former holder of such Fission Shares shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder following the Effective Time, or make available for pick up at its offices during normal business hours, a certificate representing the Denison Shares and a cheque representing the net cash payment that such holder is entitled to receive in accordance with Section 3.1(a) hereof, less any amounts withheld pursuant to Section 6.4.

(c) Subject to Section 0, until surrendered as contemplated by this Section 6.1, each certificate which immediately prior to the Effective Time represented Fission Shares will be deemed after the time described in Sections 3.1(a) to represent only the right to receive from the Depositary upon such surrender a certificate representing the Denison Shares and a cash payment that the holder of such certificate is entitled to receive in accordance with Section 0 hereof, less any amounts withheld pursuant to Section 6.4.

(d) Fission and Denison will cause the Depositary, as soon as a Former Fission Shareholder becomes entitled to the Consideration in accordance with Section 3.1(a), to:

- (i) forward or cause to be forwarded by first class mail (postage paid) to such former holder at the address specified in the Fission Share Letter of Transmittal;
- (ii) if requested by such former holder in the Fission Share Letter of Transmittal make available at the offices of the Depositary specified in the Fission Share Letter of Transmittal; or
- (iii) if the Fission Share Letter of Transmittal neither specifies an address as described in Section 6.1(d)(i) nor contains a request as described in Section 6.1(d)(ii), forward or cause to be forwarded by first class mail (postage paid) to such former holder at the address of such former holder as shown on the applicable securities register maintained by or on behalf of Fission immediately prior to the Effective Time;

a certificate representing the Denison Shares and a cheque representing the net cash payment payable to such Former Fission Shareholder in accordance with the provisions hereof.

(e) No holder of Fission Shares, Fission Options or Fission Warrants, shall be entitled to receive any consideration or entitlement with respect to such Fission Shares, Fission Options or Fission Warrants, other than any consideration or entitlement to which such holder is entitled to receive in accordance with Section 0, this Section 6.1 and the other terms of this Plan of Arrangement and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith, other than any declared but unpaid dividends.

## **6.2 Loss of Certificates**

In the event any certificate which immediately prior to the Effective Time represented any outstanding Fission Shares that were acquired by Denison or Fission pursuant to Section 0 has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the former holder of such Fission Shares, the Depositary will deliver to such person or make available for pick up at its offices in exchange for such lost, stolen or destroyed certificate, a certificate representing the Denison Shares and a cheque representing the cash consideration which the former holder of such Fission Shares is entitled to receive pursuant to Section 0 hereof in accordance with such holder's Fission Share Letter of Transmittal. When authorizing such payment in relation to any lost, stolen or destroyed certificate, the former holder of such Fission Shares will, as a condition precedent to the delivery of such Consideration, give a bond satisfactory to Fission, Denison and the Depositary in such sum as Denison may direct or otherwise indemnify Fission and Denison in a manner satisfactory to Fission and Denison against any claim that may be made against Fission or Denison with respect to the certificate alleged to have been lost, stolen or destroyed.

## **6.3 Extinction of Rights**

If any Former Fission Shareholder fails to deliver to the Depositary the certificates, documents or instruments required to be delivered to the Depositary under Section 0 or Section 0 in order for such Former Fission Shareholder to receive the Consideration which such former holder is entitled to receive pursuant to Section 0, on or before the sixth anniversary of the Effective Date, on the sixth anniversary of the Effective Date (i) such former holder will be deemed to have donated and forfeited to Denison or its successors, any Consideration held by the Depositary in trust for such former holder to which such former holder is entitled and (ii) any certificate representing Fission Shares formerly held by such former holder will cease to represent a claim of any nature whatsoever and will be deemed to have been surrendered to Denison and will be cancelled. None of Fission or Denison, or any of their respective successors, will be liable to any person in respect of any Consideration

(including any consideration previously held by the Depositary in trust for any such former holder) which is forfeited to Fission or Denison or delivered to any public official pursuant to any applicable abandoned property, escheat or similar law.

#### **6.4 Withholding Rights**

The Parties, the Depositary and any Person on their behalf shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable to any Person hereunder and from all dividends, interest or other amounts payable to any Person (including, for greater certainty and as applicable, any Fission Shareholder, any Person entitled to a Fission Change of Control Payment or Retention Bonus Payment, and any Dissenting Shareholder) such amounts as any of the Parties or the Depositary or any Person on their behalf may be required or permitted to deduct and withhold therefrom under any provision of applicable Laws in respect of Taxes. To the extent that such amounts are so deducted, withheld and remitted, such amounts shall be treated for all purposes under this Agreement as having been paid to the Person to whom such amounts would otherwise have been paid. The Parties and the Depositary shall also have the right to withhold and sell, on their own account or through a broker, and on behalf of any aforementioned Person to whom a withholding obligation applies, or require such Person to irrevocably direct the sale through a broker and irrevocably direct the broker to pay the proceeds of such sale to the Parties or the Depositary, as appropriate, such number of Denison Shares issued to such Person pursuant to the Arrangement as is necessary to produce sale proceeds (after deducting commissions payable to the broker and other costs and expenses) sufficient to fund any withholding obligations. None of the Parties or the Depositary will be liable for any loss arising out of any sale.

#### **6.5 No Liens**

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

#### **6.5 Paramountcy**

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Fission Shares, Fission Warrants, and Fission Options issued prior to the Effective Time, (b) the rights and obligations of the Fission Shareholders, Fission, Denison, the Depositary and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement, and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Fission Shares, Fission Warrants and Fission Options shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

## **ARTICLE 7** **AMENDMENTS**

### **7.1 Amendments to Plan of Arrangement**

(a) The Parties may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must (i) be set out in writing, (ii) be approved by the Parties, each acting reasonably, (iii) filed with the Court and, if made following the Fission Meeting, approved by the Court, and (iv) communicated to Fission Shareholders if and as required by the Court.

(b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Parties at any time prior to the Fission Meeting (provided that Denison and Fission shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Fission 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 or directed by the Court following the Fission Meeting shall be effective only if (i) it is consented to in writing by each of the Parties (in each case, acting reasonably), and (ii) if required by the Court, it is consented to by some or all of the Fission Shareholders voting in the manner directed by the Court.

(d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by Denison, provided that it concerns a matter which, in the reasonable opinion of Denison, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of any Former Fission Shareholder.

## **ARTICLE 8** **FURTHER ASSURANCES**

### **8.1 Further Assurances**

Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of Fission and Denison will make, do and execute, or cause to be made, done and executed, any such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

**APPENDIX “C”  
FAIRNESS OPINION**



July 6, 2015

Board of Directors of Fission Uranium Corp.  
700-1620 Dickson Avenue  
Kelowna, British Columbia V1Y 9Y2

To the Board of Directors of Fission Uranium Corp.:

Dundee Capital Markets, a division of Dundee Securities Ltd. (“**Dundee**”, “**we**”, or “**us**”) understands that Fission Uranium Corp. (“**Fission**”) and Denison Mines Corp. (“**Denison**”) are proposing to enter into an arrangement agreement (the “**Arrangement Agreement**”), pursuant to which Denison will acquire all of the issued and outstanding common shares of Fission, including common shares that may become outstanding upon the conversion, exchange or exercise of options, warrants or other securities of Fission that are convertible into or exchangeable into common shares (collectively, the “**Fission Shares**”) by way of a plan of arrangement (the “**Arrangement**”).

We understand that all material terms of the Arrangement will be described fully in a management information and proxy circular (the “**Circular**”) which will be prepared by Fission and mailed to each holder of Fission Shares (each, a “**Fission Shareholder**”) in connection with a special meeting of Fission Shareholders (the “**Fission Meeting**”) to be held to consider the Arrangement.

We further understand that, pursuant to the Arrangement and through a series of transactions to be more fully described in the Circular, each Fission Shareholder will receive 1.26 Denison Shares and cash in the amount of \$0.0001 for each Fission Share held (the “**Consideration**”). We also understand that Denison will undertake a 2 for 1 consolidation of its shares at the closing of the Arrangement (or shortly thereafter) and will change its name to Denison Energy Corp. (“**Denison Energy**”).

We understand that the Arrangement will require the approval of at least 66⅔% of the votes cast by the Fission Shareholders represented in person or by proxy at the Fission Meeting and that the issuance by Denison of the Consideration will require the approval of a majority of the votes cast by the Denison Shareholders represented in person or by proxy at a special meeting of Denison Shareholders to be held to consider, among other things, such issuance. We further understand that the Arrangement will be conditional upon, among other things, the representations and warranties of Fission and Denison being true and accurate, the absence of material adverse changes in Fission and Denison, the execution, delivery and continued enforceability of the Support Agreements (defined below), holders of no more than 5% of the outstanding Fission Shares shall have exercised their rights of dissent in respect of the Arrangement, and receipt of all necessary regulatory approvals, including approvals from the Toronto Stock Exchange (“**TSX**”).

We also understand that Fission and Denison are proposing to enter into support agreements (collectively, the “**Support Agreements**”) with directors and officers of Fission and Denison (collectively, the “**Supporting Shareholders**”) pursuant to which such Supporting Shareholders have agreed to vote all of the Fission and Denison Shares held by them in favour of the Arrangement, on the terms and subject to the conditions set forth in the Support Agreements.



### ***Engagement of Dundee***

The Board of Directors of Fission initially approached Dundee and BMO Capital Markets (“**BMO**”) to act as its co-advisors (the “**Co-Advisors**”) in connection with the Arrangement in March 2014. An initial engagement agreement dated June 22, 2014 (the “**Engagement Agreement**”), was executed by both Dundee and BMO. On July 6, 2015, a revised engagement agreement (the “**Revised Engagement Agreement**”) was executed which related only to a Denison transaction and would not supersede the Engagement Agreement unless the Arrangement closes. Pursuant to the Revised Engagement Agreement, Fission requested that we prepare and deliver to the Board of Directors our written opinion (this “**Opinion**”) as to the fairness, from a financial point of view, of the Consideration being received by Fission Shareholders pursuant to the Arrangement.

Dundee will be paid a fee for rendering this Opinion, no portion of which is conditional upon this Opinion being favourable, which shall be creditable against any fee associated with the completion of the Arrangement or any alternative transaction. Dundee and BMO are also entitled to be reimbursed for reasonable out-of-pocket expenses incurred by the Co-Advisors in carrying out its obligations under the Revised Engagement Agreement, whether or not the Arrangement is completed. Fission has also agreed to indemnify the Co-Advisors in respect of certain liabilities that might arise out of our engagement.

Subject to the terms of the Revised Engagement Agreement, the Co-Advisors consents to the inclusion of this Opinion in its entirety, together with a summary hereof, in a form and substance acceptable to the Co-Advisors, in the Circular, and to the filing thereof with the TSX and the securities commissions or similar regulatory authorities in each province and territory of Canada where such filing is required.

### ***Relationship with Interested Parties***

None of Dundee or its associates or affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of Fission, Denison, or any of their respective associates or affiliates. As of the date hereof, Dundee, its affiliates and investment funds managed by them (the “**Dundee Group**”), own or control approximately (i) 0.74% of the common shares of Fission (0.88% assuming the exercise of warrants held by Dundee Group); and (ii) 0.42% of the common shares of Denison.

Dundee has provided corporate finance activities (financial advisory and underwriting) to both Fission and Denison within the past two years. These include:

- Financial advisor to Fission on its acquisition of Alpha Minerals Inc. (December 2013)
- Lead underwriter for Fission’s \$20,100,00 equity financing (April 2015)
- Lead underwriter for Fission’s \$12,525,500 equity financing (September 2014)
- Lead underwriter for Fission’s \$25,000,000 equity financing (April 2014)
- Lead underwriter for Fission’s \$12,870,000 equity financing (December 2013)
- Lead underwriter for Denison’s \$15,000,000 equity financing (May 2015)
- Lead underwriter for Denison’s \$14,997,150 equity financing (August 2014)

There are no understandings, agreements or commitments between Dundee and Denison, or any of its respective associates or affiliates with respect to future business dealings. Dundee and/or its registered affiliates may, in the future, in the ordinary course of business, perform financial advisory or investment banking services for Fission, Denison, Denison Energy or any of their



respective associates or affiliates. Should the Arrangement not close, the Co-Advisors shall continue to act as financial advisor to Fission under the Engagement Agreement.

Dundee and certain of its affiliates act as a trader and dealer, both as principal and agent, in major financial markets and, as such, may, in the ordinary course of its business, have had and may in the future have positions in the securities of Fission, Denison, or any of their respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients (including investment funds managed by affiliates of Dundee) for which it received or may receive compensation. As an investment dealer, Dundee conducts research on securities and may, in the ordinary course of its business, provide research reports, investment advice or portfolio management services to clients on investment matters, including with respect to Fission, Denison, or the Arrangement. The rendering of this Opinion will not in any way affect Dundee's or any of its affiliates' ability to continue to conduct such activities in the ordinary course and in compliance with applicable laws.

### ***Credentials of Dundee***

Dundee is one of Canada's leading independent full-service investment dealers with operations in mergers and acquisitions, corporate finance, equity sales and trading and investment research and a member of IIROC and the Canadian Investor Protection Fund. This Opinion expressed herein is this Opinion of Dundee, the form and content of which have been approved for release by a committee of its managing directors, each of whom is experienced in merger, acquisition, divestiture and valuation matters.

### ***Scope of Review***

The assessment of fairness, from a financial point of view, must be determined in the context of the particular transaction. In connection with rendering this Opinion, we have reviewed, considered and relied upon, among other things, the following:

- (a) the draft binding letter of intent between Fission and Denison dated June 30, 2015;
- (b) the executed binding letter of intent between Fission and Denison dated July 6, 2015;
- (c) the draft Arrangement Agreement and draft Support Agreements;
- (d) the annual reports and audited consolidated financial statements and the related management, discussion and analyses of Fission for the year ended June 30, 2013 and 2014; the annual reports and audited consolidated financial statements and the related management, discussion and analyses of Denison for the year ended December 31, 2012, 2013 and 2014;
- (e) the consolidated interim reports, comparative unaudited financial statements and management's discussion and analyses of Fission for the three, six, and nine months ended September 30, 2014, December 31, 2014 and March 31, 2015, respectively; the consolidated interim reports, comparative unaudited financial statements and management's discussion and analyses of Denison for the three, six, and nine months ended March 31, 2015, December 31, 2014 and September 30, 2014, respectively;
- (f) the 2014 annual information form of Fission dated February 25, 2015 for the fiscal year ended June 30, 2014;
- (g) the 2014 annual information form of Denison dated March 5, 2015 for the fiscal year ended December 31, 2014;



- (h) the management information circular of Fission dated June 23, 2014 relating to the annual meeting of shareholders held on August 7, 2014;
- (i) the management information circular of Denison dated March 23, 2015 relating to the annual meeting of shareholders held on May 7, 2015;
- (j) recent press releases and other documents filed by Fission and Denison on SEDAR (System for Electronic Document Analysis and Retrieval) at [www.sedar.com](http://www.sedar.com);
- (k) the NI 43-101 technical report prepared by Roscoe Postle Associates Inc., dated February 12, 2015 relating to Fission's Patterson Lake South Property;
- (l) the NI-43-101 technical report prepared by GeoVector Management Inc., dated March 18, 2013 relating to Fission's Patterson Lake, Patterson Lake South and Clearwater West Properties;
- (m) the NI 43-101 technical report prepared by Roscoe Postle Associates Inc., dated June 17, 2014 relating to Denison's Wheeler River Project;
- (n) the NI 43-101 technical report prepared by GeoVector Management Inc., dated September 6, 2013 relating to Denison's Waterbury Lake Property;
- (o) the NI 43-101 technical report prepared by CSA Global (UK) Ltd., dated September 12, 2013 relating to Denison's Mutanga Uranium Project;
- (p) the NI 43-101 technical report prepared by Denison and audited by Roscoe Postle Associates Inc., dated March 27, 2012 relating to Denison's Dibwe East Project;
- (q) the NI 43-101 technical report prepared by Roscoe Postle Associates Inc., dated March 23, 2011 relating to Denison's Hairhan Property;
- (r) the NI 43-101 technical report prepared by Geostat Systems International Inc., dated January 31, 2008 relating to Denison's Midwest Project;
- (s) certain internal financial, operational, business and other information concerning Fission that was prepared or provided to us by the management of Fission including internal operating and financial budgets and projections prepared by Fission's management;
- (t) certain internal financial, operational, business and other information concerning Denison that was prepared or provided to us by the management of Denison including internal operating and financial budgets and projections prepared by Denison's management;
- (u) trading statistics and selected financial information of Fission, Denison and other selected public entities and comparable acquisition transaction considered by us to be relevant;
- (v) various reports published by equity research analysts and industry sources regarding Fission, Denison and other publicly-traded entities, to the extent deemed relevant by us;
- (w) certificates addressed to us, dated as of the date hereof, from two senior officers of Fission as to the completeness and accuracy of the respective information provided to us by them; and
- (x) such other information, analyses, investigations and discussions as we considered necessary or appropriate in the circumstances.

In addition, we have participated in discussions with members of senior management of Fission regarding its past and current business operations, financial condition and future business



prospects. In providing our services to Fission under the Engagement Agreement and Revised Engagement Agreement, and only in such capacity, we have also participated in discussions with members of senior management of Denison regarding Denison's past and current business operations, financial condition and future business prospects. In providing our services to Fission under the Revised Engagement Agreement, and only in such capacity, we have also participated in discussions with Blake, Cassels & Graydon LLP, external legal counsel to Fission, BMO, Co-Advisor to Fission, and in-house counsel to Denison regarding the Arrangement, the Arrangement Agreement, the Support Agreements, due diligence and related matters.

In connection with our services to Fission under the Revised Engagement Agreement, we have not, to the best of our knowledge, been denied access by Fission or Denison to any information which we requested. Dundee has assumed the completeness, accuracy and fair representation of all financial and other information, data, advice, opinions and representations obtained by us from public sources, including information relating to Fission and Denison, or provided to us as typical of this type of engagement. Dundee has not attempted to verify the accuracy or completeness of any such information, data, advice, opinions and representations.

### ***Assumptions and Limitations***

This Opinion is subject to the assumptions, explanations and limitations set forth below. We have not been asked to prepare and have not prepared a formal valuation or appraisal of Fission, Denison, or any of their respective affiliates or of any of the assets, liabilities or securities of Fission, Denison, or any of their respective affiliates, and this Opinion should not be construed as such. In addition, this Opinion is not, and should not be construed as, advice as to the price at which Fission Shares may trade at any future date.

With your acknowledgment and agreement, we have relied upon and have assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by Fission, Denison and their respective affiliates or otherwise obtained pursuant to our engagement and this Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to, nor have we attempted to independently verify the completeness, accuracy or fairness of presentation of any of such information. We have not conducted or provided any valuation or appraisal of any assets or liabilities, nor have we evaluated the solvency of Fission, Denison or any of their respective affiliates under any provincial or federal laws relating to bankruptcy, insolvency or similar matters. Without limiting the foregoing, we have not separately met with the independent auditors of Fission or Denison in connection with preparing this Opinion and, with your permission, we have assumed the accuracy and fair presentation, and relied upon, Fission's and Denison's respective audited financial statements and the reports of auditors thereon and the interim unaudited financial statements of Fission and Denison.

With respect to historical financial data, operating and financial forecasts and budgets and other forward-looking information provided to us concerning Fission or Denison described under the heading "Scope of Review" and relied upon in our analysis, we have assumed that they have been reasonably prepared on bases reflecting the most reasonable assumptions, estimates and judgments of Fission management and Denison management having regard to their respective business, plans, financial conditions and future prospects.

In preparing this Opinion, we have also assumed that: (i) the final executed forms of the Arrangement Agreement and the Support Agreements do not differ in any material respect from the drafts that we reviewed; (ii) all of the representations and warranties contained in the



Arrangement Agreement are materially correct as of the date hereof; (iii) Fission and Denison will each comply with all the material terms of the Arrangement Agreement; (iv) any governmental, regulatory or other consents and approvals necessary for the completion of the Arrangement will be met or waived without any adverse effect on Fission, Denison or the Arrangement; (v) the Arrangement will be completed substantially in accordance with its terms without any adverse waiver or amendment of any material term or condition thereof and all applicable laws; and (vi) the Circular (including all documents incorporated by reference therein) will disclose all material facts related to the Arrangement and will satisfy all applicable legal requirements.

Fission has represented to us, in a certificate of two senior officers of Fission (the “**Fission Officers**”), dated as of the date hereof, among other things, that (i) with the exception of forecasts, projections or estimates referred to in (iv) below, the information, data and other material (financial or otherwise) with respect to Fission and the Arrangement provided to us by or on behalf of Fission in connection with the Revised Engagement Agreement (collectively, the “**Fission Information**”) is, or in the case of historical information was, at the date of preparation, true and accurate in all material respects and does not or did not, as the case may be, contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances in which such statements were made (a “**Misrepresentation**”); (ii) to the extent that any of the Fission Information is historical, there have been no material changes or changes in material facts or new material facts since the respective dates thereof that have not been generally disclosed or disclosed to Dundee or updated by more current information, data or other materials provided to Dundee; (iii) there are no material facts or circumstances relating to Fission not disclosed to Dundee which would reasonably be expected to affect materially this Opinion, including the assumptions used, procedures adopted or the scope of review undertaken by Dundee in connection with this Opinion; and (iv) with respect to any portions of the Fission Information that constitute forecasts, projections or estimates regarding Fission or its business such forecasts, projections or estimates (x) were prepared using the assumptions identified therein, which in the reasonable belief of the Fission Officers are (or were at the time of preparation) reasonable in the circumstances, and (y) are not, in the reasonable belief of the Fission Officers, misleading in any material respect in light of the assumptions used therefor.

Except as expressly noted above under the heading “Scope of Review”, we have not conducted any investigation concerning the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Fission, Denison, or any of their respective affiliates.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Arrangement, or the sufficiency of this Opinion for your purposes.

Although the Arrangement is subject to certain conditions outside the control of Fission and Denison, Dundee has assumed that all conditions precedent to the completion of the Arrangement will be satisfied in due course or waived and that all consents, permissions, exemptions or orders of relevant regulatory authorities, courts and other third parties will be obtained, without adverse conditions or qualifications. In rendering this Opinion, Dundee expresses no view as to the likelihood that the conditions to the Arrangement will be satisfied or waived or that the Arrangement will be implemented within the time frame set out in the Circular.

This Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the conditions and prospects, financial





and otherwise, of (i) Fission, as they are reflected in the Fission Information or otherwise obtained by us from public sources and as they were represented to us in our discussions with management of Fission and its affiliates and advisors; and (ii) Denison, as obtained by us from public sources and as they were represented to us in our discussions with management of Denison and its affiliates and advisors in the course of our provision of services to Fission under the Engagement Agreement. In our analyses and in connection with the preparation of this Opinion, we made numerous assumptions with respect to commodity prices, industry performance, general business, capital markets and economic conditions and other matters, many of which are beyond the control of Dundee and any party involved in the Arrangement. This Opinion is conditional on all assumptions being correct.

This Opinion has been provided to the Board of Directors for its exclusive use only in considering the Arrangement and may not be relied upon by any other person, used for any other purpose or published or disclosed to any other person (except as otherwise expressly provided herein) without the prior written consent of Dundee. This Opinion is not intended to be and does not constitute a recommendation to the Board of Directors or to any Fission Shareholder as to whether such Fission Shareholders should approve the Arrangement. This Opinion does not address the relative merits of the Arrangement compared to any other business strategies or transactions that might be available to Fission or Denison.

Dundee believes that its financial analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying this Opinion. The preparation of a fairness opinion is complex and is not necessarily susceptible to partial analysis or summary description and any attempt to carry this out could lead to undue emphasis on any particular factor or analysis.

This Opinion is given as of the date hereof and we disclaim any undertaking or obligation to advise any person of any change in any matter or fact affecting this Opinion that may come or be brought to our attention after the date hereof. Without limiting the foregoing, in the event there is any material change in any fact or matter affecting this Opinion after the date hereof, we reserve the right to change or withdraw this Opinion.

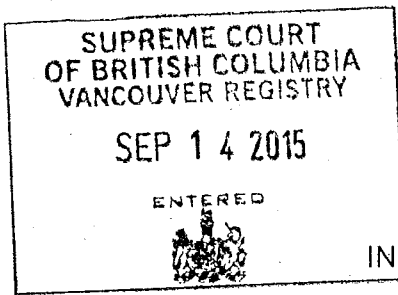
### ***Opinion***

Based upon and subject to the foregoing and such other matters as we have considered relevant, it is our opinion that, as of the date hereof, the Consideration to be received by Fission Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Fission Shareholders.

Yours very truly,

*Dundee Securities Ltd.*

**APPENDIX “D”  
COURT MATERIALS**



No. S= 157 579  
—Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 192 OF THE  
CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985, C. 44, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING  
FISSION URANIUM CORP. and DENISON MINES CORP.

FISSION URANIUM CORP.

PETITIONER

INTERIM ORDER MADE AFTER APPLICATION

BEFORE Master Muir )  
 ) 14/Sep/2015  
 )

ON THE APPLICATION of the Petitioner, Fission Uranium Corp. ("**Fission**") for an Interim Order pursuant to its Petition filed on September 14, 2015.

[x] without notice coming on for hearing at Vancouver, British Columbia on September 14, 2015 and on hearing Alexandra Luchenko, counsel to Fission and upon reading the Petition herein, the Affidavit #1 of Paul Charlish sworn on September 11, 2015 filed herein (the "**Charlish Affidavit**") and Affidavit #1 of Hoa Ung sworn on September 11, 2015 filed herein; and upon being advised that it is the intention of Denison Mines Corp. ("**Denison**") to rely upon Section 3(a)(10) of the *United States Securities Act of 1933*, as amended (the "**1933 Act**") as a basis for an exemption from the registration requirements of the 1933 Act with respect to securities of Denison issued under the proposed Plan of Arrangement based on the Court's approval of, and consideration of the fairness of, the Arrangement;

THIS COURT ORDERS THAT:

## DEFINITIONS

1. As used in this Interim Order, unless otherwise defined, terms beginning with capital letters have the respective meanings set out in the Notice of Special Meeting and Management Information Circular for the Special Meeting of Shareholders (the "**Circular**") attached as Exhibit "A" to the Charlish Affidavit.

## SPECIAL MEETING

2. Pursuant to section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 as amended (the "**CBCA**"), Fission is authorized and directed to call, hold and conduct a special meeting (the "**Meeting**") of the holders of common shares (the "**Fission Shareholders**") in the capital of Fission to be held at 10:00 a.m. (Vancouver time) on October 14, 2015 at the offices of Blake, Cassels & Graydon LLP, Suite 2600, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3, and described in the Circular, to:

- (a) consider and, if thought advisable, to pass a special resolution (the "**Arrangement Resolution**") to approve an arrangement (the "**Arrangement**") involving Fission, the Fission Shareholders, Denison Mines Corp. ("**Denison**") and 9373721 Canada Inc. ("**Subco**"), a wholly-owned subsidiary of Denison, as more particularly described in the plan of arrangement ("**Plan of Arrangement**") substantially in the form attached as Appendix "A" to the Circular; and
- (b) transact such other business as may properly come before the Meeting or any adjournment thereof.

3. The Meeting shall be called, held and conducted in accordance with the CBCA, the Circular and the articles of Fission, 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.

## ADJOURNMENT

4. Fission, 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 Fission Shareholders respecting the adjournment or postponement and without the need for approval of the Court. Notice of any such adjournments or postponements shall be given by press release, news release, newspaper advertisement, or by notice sent to Fission Shareholders by one of the methods specified in paragraph 9 of this Interim Order.

5. The Record Date (as defined in paragraph 7 below) shall not change in respect of adjournments or postponements of the Meeting.

#### **AMENDMENTS**

6. Prior to the Meeting, Fission is authorized to make such amendments, revisions or supplements to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement without any additional notice to the Fission Shareholders, and the Arrangement and the 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**

7. The record date for determining the Fission Shareholders entitled to receive notice of, attend and vote at the Meeting shall be the close of business on September 4, 2015 (the "**Record Date**"), or such other date as the Board of Directors of Fission may determine and as disclosed to Fission Shareholders in the manner they see fit.

#### **NOTICE OF SPECIAL MEETING**

8. The Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 192 of the CBCA, and Fission shall not be required to send to the Fission Shareholders any other or additional statement pursuant to Section 192 of the CBCA.

9. The Circular, form of proxy and Notice of Hearing of Petition (collectively, the "**Meeting Materials**") in substantially the same form as contained in Exhibits "A", "B" and "C" to the Charlish Affidavit, with such deletions, amendments or additions thereto as counsel for the

Petitioner may advise are necessary or desirable, provided that such deletions, amendments or additions are not inconsistent with the terms of this Interim Order, shall be sent to:

- (a) the Fission Shareholders (other than objecting beneficial owners of Fission common shares), such Meeting Materials to be sent at least twenty-one (21) days prior to the date of the Meeting (excluding the date of mailing, delivery or transmittal and the date of the Meeting) by one or more of the following methods:
  - (i) by prepaid ordinary or air mail addressed to the Fission Shareholder at his, her or its address as it appears on the applicable securities registers of Fission as at the Record Date;
  - (ii) by delivery in person to the addressee specified in paragraph 9 (a)(i) above; or
  - (iii) by email or facsimile transmission to any Fission Shareholder who identifies himself, herself or itself to the satisfaction of Fission, acting through its representatives, who requests such email or facsimile transmission and then in accordance with such request;
- (b) the directors and auditors of Fission by sending the Meeting Materials by prepaid ordinary mail, or by email or facsimile transmission, to such persons at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing or transmittal and the date of the Meeting; and
- (c) in the case of objecting beneficial owners of Fission common shares, by providing copies of the Meeting Materials to intermediaries and registered nominees for sending to such beneficial owners in accordance with National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators at least three (3) Business Days before the twenty-first (21<sup>st</sup>) day before the date of the Fission Meeting;

and substantial compliance with this paragraph shall constitute good and sufficient notice of the Meeting and Fission's application for the Final Order.



10. The Circular, including the Notice of Hearing of Petition (the "**Notice Materials**") in substantially the same form as contained in Exhibits "A" and "C" to the Charlish Affidavit, with such deletions, amendments or additions thereto as counsel for the Petitioner may advise are necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order, shall be sent to both the Fission Optionholders and Fission Warrantholders (collectively with the Fission Shareholders and Fission Optionholders, the "**Fission Securityholders**"), in accordance with the methods of delivery set out at paragraph 9 of this Interim Order, not later than twenty-one (21) days prior to the date of the Meeting and that such mailing, delivery and distribution shall constitute good and sufficient notice of Fission's application for the Final Order.

11. Accidental failure of, or omission, or delay by Fission to give notice to any one or more Fission Securityholders or delay, or the non-receipt of such notice by one or more Fission Securityholders, or delay, shall not constitute a breach of this Interim Order and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of Fission then it shall use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

#### **DEEMED RECEIPT OF NOTICE**

12. The Meeting Materials and Notice Materials shall be deemed, for the purposes of this Order, to have been received:

- (a) in the case of mailing, the day, Saturdays and holidays excepted, following the date of mailing;
- (b) in the case of delivery in person, the day following personal delivery or the day following delivery to the person's address in paragraphs 9 and 10 above; and
- (c) in the case of any means of transmitted, recorded or electronic communication, when dispatched or delivered for dispatch.

#### **UPDATING MEETING MATERIALS**

13. Notice of any amendments, updates or supplements to any of the information provided in the Meeting Materials or Notice Materials may be communicated to the Fission Securityholders by press release, news release, newspaper advertisement or by notice sent to the Fission Securityholders by any of the means set forth in paragraphs 9 and 10 herein, as

determined to be the most appropriate method of communication by the Board of Directors of Fission.

#### **QUORUM AND VOTING**

14. As set forth in the articles of Fission, the quorum required at the Meeting shall be two persons present in person, each being a Fission Shareholder entitled to vote at the Meeting or a duly appointed proxyholder or representative for a Fission Shareholder so entitled.

15. The votes taken at the Meeting shall be taken on the basis of one vote per common share and the vote required to pass the Arrangement Resolution shall be:

- (a) the affirmative vote of at least 66 2/3% of the aggregate votes cast by the Fission Shareholders, present in person or represented by proxy and entitled to vote at the Meeting; and
- (b) the affirmative vote of a simple majority of the votes cast by Fission Shareholders present in person or represented by proxy and entitled to vote at the Meeting, excluding votes attached to Fission Shares held by either Devinder Randhawa or Ross McElroy, and any related parties (as defined by *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions*).

16. In all other respects, the terms, restrictions and conditions of the articles of Fission will apply in respect of the Meeting.

#### **PERMITTED ATTENDEES**

17. The only persons entitled to attend the Meeting shall be the registered Fission Shareholders or their respective proxyholders as of the Record Date, Fission's directors, officers, auditors, advisors and any other person admitted on the invitation of the Chair or with the consent of the Meeting, and the only persons entitled to be represented and to vote at the Meeting shall be the registered Fission Shareholders or their respective proxyholders as at the close of business on the Record Date.

## **SCRUTINEERS**

18. A representative of Fission's registrar and transfer agent (or any agent thereof) is authorized to act as scrutineer for the Meeting.

## **SOLICITATION OF PROXIES**

19. Fission is authorized to use the form of proxy in connection with the Meeting in substantially the same form as attached as Exhibit "B" to the Charlsh Affidavit and Fission may in its discretion waive generally the time limits for deposit of proxies by Fission Shareholders if the Chair deems it reasonable to do so. Fission is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communication as it may determine.

20. The procedure for the use of proxies at the Meeting shall be as set out in the Meeting Materials.

## **DISSENT RIGHTS**

21. Each registered Fission Shareholder shall have the right to dissent in respect of the Arrangement Resolution in accordance with the provisions of section 190 of the CBCA, as modified by the terms of this Order and the Arrangement.

22. In order for a Fission Shareholder to exercise such right of dissent under subsection 190 of the CBCA:

- (a) a dissenting Fission Shareholder shall, despite subsection 190(5) of the CBCA, deliver a written objection to Fission, at its address for such purpose, Blake, Cassels & Graydon LLP, 2600 – 595 Burrard Street, Vancouver, BC V7X 1L3, Attention Sean K. Boyle, by or before 4:00 p.m. on October 9, 2015, or no later than 4:00 p.m. on the day that is two business days prior to any postponed or adjourned Meeting;
- (b) a dissenting Fission Shareholder shall not have voted his, her or its Fission 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 objection required under subparagraph (a);
- (d) a dissenting Fission Shareholder may not exercise rights of dissent in respect of only a portion of such dissenting Fission Shareholder's Fission Shares but may dissent only with respect to all of the Fission Shares held by such person; and
- (e) the exercise of such right of dissent must otherwise comply with the requirements of Section 190 of the CBCA, as modified by this Order.

23. Subject to further order of this Court, the rights available to the Fission Shareholders under the CBCA and the Arrangement to dissent from the Arrangement shall constitute full and sufficient rights of dissent for the Fission Shareholders with respect to the Arrangement.

24. Notice to the Fission Shareholders of their right of dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the CBCA and the Arrangement, the fair value of their Fission Shares shall be given by including information with respect to this right in the Circular to be sent to Fission Shareholders in accordance with this Order.

25. Fission shall make all fair value payments to dissenting Fission Shareholders for their Fission Shares pursuant to Section 190 of the CBCA.

#### **APPLICATION FOR FINAL ORDER**

26. Upon the approval, with or without variation, by the Fission Shareholders of the Arrangement, in the manner set forth in this Interim Order, Fission may apply to this Court for, *inter alia*, an Order:

- (a) pursuant to CBCA Section 192(4)(e) approving the Arrangement; and
- (b) pursuant to CBCA Section 192(4)(e) declaring that the terms and conditions of the Arrangement are procedurally and substantively fair to Fission Securityholders and reasonable.

(collectively, the "**Final Order**")

and that the hearing of the Final Order will be held on October 16, 2015 at 9:45 a.m. at the Courthouse at 800 Smithe Street, Vancouver, British Columbia or as soon thereafter as the

hearing of the Final Order can be heard or at such other date and time as this Court may direct.

27. The form of Notice of Hearing of Petition is hereby approved as the form of Notice of Proceedings for such approval. Any Fission Securityholder or creditor of Fission has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order.

28. Any Fission Securityholder or creditor of Fission seeking to appear at the hearing of the application for the Final Order shall file and deliver a Response in the form prescribed by the *Rules of Court*, and a copy of all materials upon which they intend to rely, to the Petitioner's solicitors at:

Blake, Cassels & Graydon LLP  
2600 – 595 Burrard Street  
Vancouver, BC V7X 1L3

Attention: Sean K. Boyle

by or before 4:00 p.m. (Vancouver time) on October 14, 2015, or as the Court may otherwise direct.

29. Sending the Notice of Hearing of Petition and this Interim Order in accordance with paragraphs 9 and 10 of this Order shall constitute good and sufficient service of this proceeding and no other form of service need be made and no other material need be served on persons in respect of these proceedings. In particular, service of the Petition herein and the accompanying Affidavit and additional Affidavits as may be filed, is dispensed with.

30. In the event the hearing for the Final Order is adjourned, only those persons who have filed and delivered a Response in accordance with this Interim Order need be provided with notice of the adjourned hearing date and any filed materials.

#### **VARIANCE**

31. The Petitioner shall be entitled, at any time, to apply to vary this Interim Order or for such further order or orders as may be appropriate.

32. Rules 8-1 (apart from the requirement for an Application Record) and 16-1(8)-(12) of the *Supreme Court Civil Rules* are dispensed with for the purposes of any further application to be made pursuant to this Petition.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



\_\_\_\_\_  
Signature of lawyer for Petitioner  
Alexandra C. Luchenko

BY THE COURT.



\_\_\_\_\_  
REGISTRAR

✓ as to  
form.



IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 192 OF THE  
*CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, C. 44, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING  
FISSION URANIUM CORP. AND  
DENISON MINES CORP.

FISSION URANIUM CORP.

PETITIONER

**NOTICE OF HEARING OF PETITION**

To: The holders (the "**Fission Shareholders**") of common shares (the "**Fission Shares**") of Fission Uranium Corp. ("**Fission**"), the holders of Fission options which are outstanding ("**Fission Optionholders**") and the holders of Fission warrants ("**Fission Warrantholders**", and collectively with Fission Shareholders and Fission Optionholders, the "**Fission Securityholders**").

NOTICE IS HEREBY GIVEN that a Petition has been filed by the Petitioner, Fission in the Supreme Court of British Columbia (the "**Court**") for approval of a plan of arrangement (the "**Arrangement**"), pursuant to the *Canada Business Corporations Act*, R.S.C., 1985, c. 44, as amended (the "**CBCA**");

AND NOTICE IS FURTHER GIVEN that by an Interim Order Made After Application, pronounced by the Court on September 14, 2015, the Court has given directions as to the calling of a special meeting of the Fission Shareholders, 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, procedurally and substantively, to the Fission Securityholders shall be made before the presiding Judge in Chambers at the Courthouse, 800 Smithe Street, Vancouver, British Columbia on October 16, 2015, at 9:45 am (Vancouver time), or as soon thereafter as counsel may be heard (the "**Final Application**").

AND NOTICE IS FURTHER GIVEN that the Final Order approving the Arrangement will, if made, serve as the basis of an exemption from the registration requirements of the United

States *Securities Act of 1933*, as amended, pursuant to Section 3(a)(10) thereof with respect to securities issued under the Arrangement.

IF YOU WISH TO BE HEARD, any person affected by the Final Order sought may appear (either in person or by counsel) and make submissions at the hearing of the Final Application if such person 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 submissions, to the Petitioner at its address for delivery set out below by or before 4:00 p.m. (Vancouver time) on October 14, 2015.

The Petitioner's address for delivery is:

c/o Blake, Cassels & Graydon LLP  
2600 – 595 Burrard Street  
Vancouver, BC V7X 1L3

Attention: Sean K. Boyle

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 the shareholders of the Petitioner.

A copy of the Petition, affidavits and other documents in the proceeding will be furnished to any person receiving this Notice upon request in writing addressed to the solicitors of the Petitioner at the address for delivery set out above.

Date: 14/Sep/2015

"Sean K. Boyle"

Signature of lawyer for Petitioner  
Sean K. Boyle

## **APPENDIX “E” INFORMATION CONCERNING DENISON**

Terms not otherwise defined in this Appendix have the meanings given to them in the Circular under “Glossary of Terms”. This Appendix is qualified in its entirety by, and should be read together with, the detailed information contained or referred to elsewhere, or incorporated by reference, in the Circular and applicable Appendices.

### **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 by writing to: Denison Mines Corp., 40 University Ave, Suite 1100, Toronto, Ontario, Canada M5J 1T1, by telephone: (416) 979-1991, by facsimile: (416) 979-5893 or by email: [info@denisonmines.com](mailto:info@denisonmines.com). These documents are also available under Denison’s profile on SEDAR, which can be accessed online at [www.sedar.com](http://www.sedar.com).

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

- (a) the annual information form of Denison dated March 5, 2015 for the year ended December 31, 2014 (the “**Denison AIF**”);
- (b) the audited consolidated statements of financial position of Denison as at December 31, 2014 and December 31, 2013 and the consolidated statements of income (loss) and comprehensive income (loss), changes in equity and cash flows for the years ended December 31, 2014 and December 31, 2013 and the related notes and auditor’s report thereon;
- (c) Denison’s management’s discussion and analysis for the year ended December 31, 2014;
- (d) the condensed interim consolidated statements of financial position of Denison as at June 30, 2015 and December 31, 2014 and the interim consolidated statements of income (loss) and comprehensive income (loss), changes in equity and cash flows for the three month and six month periods ended June 30, 2015 and June 30, 2014 and the related notes;
- (e) Denison’s management’s discussion and analysis for the six month period ended June 30, 2015;
- (f) the management information circular of Denison dated March 23, 2015 prepared in connection with the annual general meeting of shareholders of Denison held on May 7, 2015;
- (g) the material change report of Denison dated August 5, 2015 relating to the execution of the Arrangement Agreement dated July 27, 2015 between Denison and Fission Uranium Corp. (“**Fission**”) in connection with the Arrangement;
- (h) the material change report of Denison dated July 13, 2015 relating to the execution of the binding Letter Agreement dated July 6, 2015 between Denison and Fission in connection with the Arrangement; and
- (i) the material change report dated March 24, 2015 relating to the appointment of Ron

Hochstein as Executive Chairman, David Cates as President and Chief Executive Officer and Mac McDonald as Chief Financial Officer of Denison.

References herein to this Circular also means any and all documents incorporated by reference in this Circular. Any document of the type referred to above, any material change reports (excluding confidential material change reports), any business acquisition reports, the content of any news release disclosing financial information for a period more recent than the period for which financial statements are required and certain other disclosure documents as set forth in Item 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* of the Canadian Securities Administrators filed by Denison with the securities commissions or similar regulatory authorities in Canada after the date of this Circular and prior to the completion of the Arrangement shall be deemed to be incorporated by reference in 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 also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this Circular, except as so modified or superseded. 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 purposes 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 in which it was made.**

## **The Formation of Denison**

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 by IUC in exchange for IUC’s shares. Effective December 1, 2006, IUC’s articles were amended to change its name to “Denison Mines Corp.”.

On June 29, 2012, Denison sold its shares in certain subsidiaries, which owned all of Denison’s mining assets and operations located in the United States. The sale was carried out by way of a plan of arrangement between Denison and Energy Fuels Inc. (“EFI”) effective June 29, 2012.

On January 31, 2013, Denison acquired all of the issued and outstanding shares of JNR Resources Inc. (“JNR”) by way of a plan of arrangement pursuant to the *Business Corporations Act* (British Columbia) (“BCBCA”) and subsequently amalgamated with JNR effective January 1, 2014.

On April 26, 2013, Denison acquired all of the issued and outstanding shares of Fission Energy Corp. (“Fission Energy”) by way of a plan of arrangement pursuant to the BCBCA. Denison amalgamated with Fission Energy effective July 1, 2014 and with Pitchstone AB Corp. (a wholly-owned subsidiary previously held by Fission Energy) on July 3, 2014.

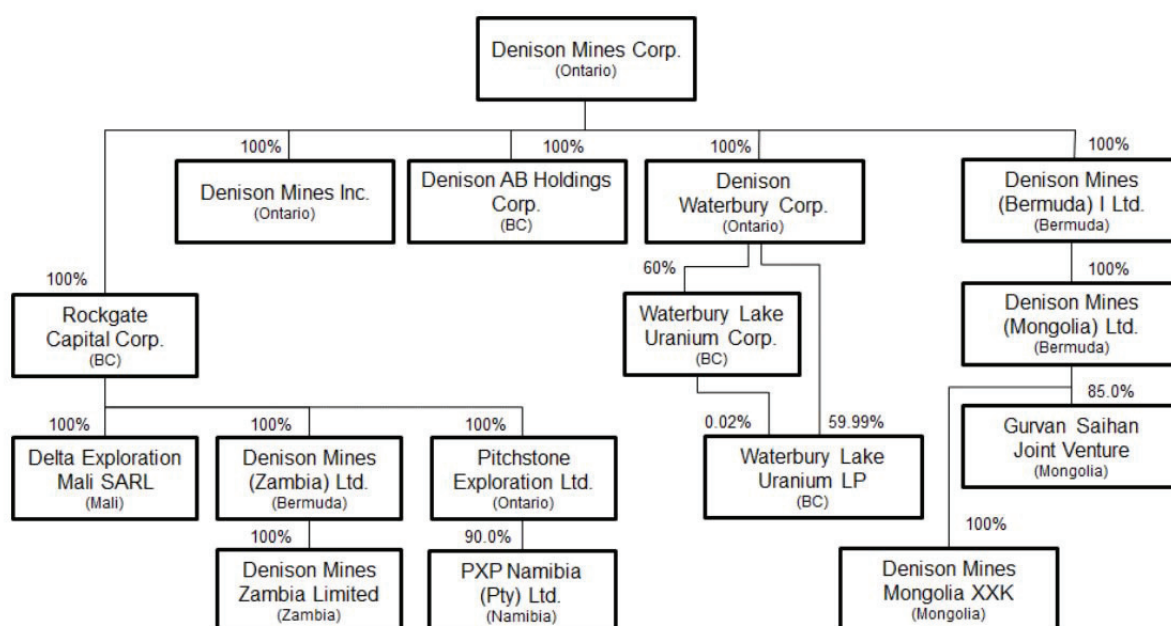
On January 17, 2014, Denison acquired all of the issued and outstanding shares of Rockgate Capital Corp. (“Rockgate”) by way of a plan of arrangement under the BCBCA. On June 9, 2014, Denison acquired all of the issued and outstanding shares of International Enxco Ltd. (“IEC”) by way of a plan of arrangement under the BCBCA.

Through the above acquisitions of EFI, JNR, Fission Energy, Rockgate and IEC, Denison transformed its business to focus on uranium exploration and development projects, 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 and Mali.

Denison is a reporting issuer in each of the provinces of Canada. The registered and head office of Denison will be located at 40 University Ave, Suite 1100, Toronto, Ontario, Canada M5J 1T1 as of September 18, 2015. Denison's website address is [www.denisonmines.com](http://www.denisonmines.com).

## Denison's Structure

Denison conducts its business through a number of subsidiaries. The following is a diagram depicting the corporate structure of Denison and its active subsidiaries as at the date hereof, including the name, jurisdiction of incorporation and proportion of ownership interest in each.



Note: On July 20, 2015, Denison incorporated 9372721 Canada Inc. as a wholly owned subsidiary of Denison for the purposes of completing the Arrangement with Fission.

Note: On July 30, 2015, Denison announced that it had entered into an agreement to sell Denison Mines (Mongolia) Ltd. which subsidiary holds all of Denison's interests in mining assets and operations located in Mongolia. See "Recent Developments" below.

Denison also owns a number of inactive subsidiaries which have no liabilities or assets and do not engage in any business activities.

## Summary Description of the Business

Denison is a uranium exploration and development company with interests in exploration and development projects in Saskatchewan, Zambia, Namibia, Mali and Mongolia. Denison's interests in Saskatchewan include the 60% owned Wheeler River project, host of the Phoenix deposit and the Gryphon discovery, a 22.5% ownership interest in the McClean Lake joint venture and a 25.17% interest in the Midwest joint venture, all of which are held directly or indirectly through DMI. Denison also holds a 60% interest in the Waterbury Lake project in Saskatchewan through its wholly owned

subsidiary, Denison Waterbury Corp. and a 30% interest in the Mann Lake joint venture through its wholly owned subsidiary, Denison AB Holdings Corp.

The McClean Lake joint venture and the Midwest project are operated by Denison's joint venture partner, AREVA Resources Canada Inc., a subsidiary of the AREVA Group. Denison also participates in a toll-milling arrangement through the McClean Lake joint venture whereby ore is processed for the Cigar Lake joint venture at the McClean Lake mill. Beyond Canada, Denison owns the Mutanga uranium project in Zambia, the Falea uranium, silver and copper project in Mali, and interests in mineral exploration and development properties in Namibia and Mongolia. On July 30, 2015, Denison announced that it had entered into an agreement to sell Denison Mines (Mongolia) Ltd. which subsidiary holds all of Denison's interests in mining assets and operations located in Mongolia. See "Recent Developments" below.

Denison is also engaged in mine decommissioning and environmental services through its Denison Environmental Services division.

Denison's wholly owned subsidiary, DMI, is also the manager of Uranium Participation Corporation, a publicly traded company listed on the TSX under the symbol "U", which invests in uranium oxide in concentrates and uranium hexafluoride.

Denison's key assets are as follows:

- (a) A 60% interest in the Wheeler River project which includes the Phoenix deposit and the newly discovered Gryphon zone.
- (b) A 22.50% interest in the McClean Lake uranium processing facility and uranium deposits in northern Saskatchewan.
- (c) A 25.17% interest in the Midwest uranium project, including the Midwest and the Midwest A deposits in northern Saskatchewan.
- (d) An extensive portfolio of exploration and development property interests in the Athabasca Basin including: Moore Lake (100%), Waterbury Lake (60%), Hatchet Lake (58.06%), Crawford/Bachman Lake (100%), Bell Lake (100%) and Mann Lake (30%).

Further information regarding the business of Denison, its operations and its mineral properties can be found in the Denison AIF and other documents incorporated by reference herein.

## **Recent Developments**

On July 30, 2015, Denison announced the execution of a definitive share purchase agreement with Uranium Industry a.s. ("**Uranium Industry**"), of the Czech Republic, pursuant to which Denison will sell its interest in the Gurvan Saihan joint venture in Mongolia to Uranium Industry for \$20,000,000. Pursuant to the terms of the share purchase agreement, Denison will receive an initial payment of \$250,000 on closing and a deferred payment of \$19,750,000 by November 30, 2015.

On July 29, 2015, Denison reported the completion of the definition drilling component of the summer exploration program at the Gryphon zone on the Wheeler River project, and the discovery of uranium mineralization at the Murphy Lake property in Saskatchewan.

On July 27, 2015, Denison entered into the Arrangement Agreement with Fission in respect of the Arrangement, further to the Letter Agreement executed between the parties on July 6, 2015.



On June 4, 2015, Denison reported the commencement of its summer drilling in the Athabasca Basin in northern Saskatchewan and the receipt of all uranium assay results from its winter drilling program at the Wheeler River project. The assay results, including 7.9% U<sub>3</sub>O<sub>8</sub> over 4.5 metres in WR-584B and 4.5% U<sub>3</sub>O<sub>8</sub> over 4.5 metres in WR-597, confirmed the previously released down-hole probe results at or in the vicinity of the Gryphon zone. The Gryphon zone is located three kilometres northwest of the Phoenix deposit.

On May 26, 2015, Denison completed a bought deal private placement of 12,000,000 flow-through Denison Shares at a price of CAD\$1.25 for total gross proceeds of CAD\$15 million. The flow-through Denison Shares are subject to a four-month hold period expiring on September 27, 2015.

On April 15, 2015, Denison completed its winter exploration drilling in the Athabasca Basin of Saskatchewan. The winter drilling resulted in the expansion of the Gryphon zone of basement hosted uranium at the Wheeler River project, the new discovery of unconformity hosted uranium south of the Gryphon zone, as described above, and the expansion of a zone of unconformity hosted uranium at Denison's 30% owned Mann Lake project. A total of 30,400 metres was completed in 61 drill holes on seven Denison operated projects. An additional 12,700 metres was completed in 32 holes on projects operated by Denison's joint venture partners.

On March 30, 2015, Denison announced the discovery of a new zone of uranium mineralization at the Wheeler River project in the eastern Athabasca Basin of northern Saskatchewan. Uranium in the new zone was reported to occur at the unconformity, 800 metres south of the Gryphon zone.

### Consolidated Capitalization

As at the close of business on the Record Date, there were 518,438,669 Denison Shares, 7,057,210 Denison Options and nil Denison Warrants issued and outstanding.

Under the Arrangement, assuming no additional Fission Shares, Fission Options or Fission Warrants are issued, Denison will issue 486,660,032 Denison Shares (243,330,016 new Denison Shares (the "**New Denison Shares**") after giving effect to the Denison Share consolidation (the "**Consolidation**") to former Fission Shareholders and will reserve 42,308,695 Denison Shares (21,154,345 New Denison Shares after giving effect to the Consolidation) for issuance pursuant to the Denison Replacement Options and 1,739,471 Denison Shares (869,733 New Denison Shares after giving effect to the Consolidation) for issuance pursuant to the outstanding Fission Warrants.

Other than as disclosed below, there have not been any material changes in the share and loan capital of Denison since June 30, 2015, the date of Denison's most recently filed financial statements. The following table summarizes Denison's consolidated capitalization (i) as at June 30, 2015, and (ii) as at June 30, 2015 (after giving effect to the Arrangement only). The table should be read in conjunction with the financial statements of Denison, including the notes thereto, incorporated by reference in this Appendix.

Description	As at June 30, 2015	As at June 30, 2015 (after giving effect to the Arrangement) <sup>(1)(3)</sup>
	(all dollar amounts in thousands of U.S. dollars)	
Denison Shares	1,130,785	1,495,780 <sup>(2)</sup>
Denison Warrants	24	26
Contributed Surplus	53,684	64,103
Deficit	(906,465)	(906,465)
Accumulated Other Comprehensive Income (Loss)	(41,672)	(41,672)
Shareholders' Equity	236,356	611,772

- (1) Does not give effect to the issuance of any Retention Bonus Shares in connection with the Retention Bonus Payments.
- (2) Dollar amount of Consideration assumed to be issued pursuant to the Arrangement has been calculated based on the issuance of 486,660,032 Denison Shares valued based on the closing price of the Denison Shares on the NYSE MKT on June 30, 2015 of \$0.75.
- (3) Where applicable, amounts in Canadian dollars have been converted to U.S. dollars using the June 30, 2015, Bank of Canada closing rate of exchange for U.S. dollars, which was CAD\$1.00 = \$0.8006

## Description of Securities Distributed

Denison is entitled to issue an unlimited number of Denison Shares. As at December 31, 2014, Denison had an aggregate of 505,868,894 Denison Shares issued and outstanding. As at the date hereof, Denison has an aggregate of 518,438,669 Denison Shares issued and outstanding. In addition, as of the date hereof, 7,057,210 Denison Shares are issuable upon the exercise of outstanding Denison Options.

Shareholders of Denison are entitled to receive notice of, and to one vote per share at, every meeting of shareholders, to receive such dividends as the Denison Board declares and to share equally in the assets of Denison remaining upon the liquidation, dissolution or winding up of Denison after the creditors of Denison have been satisfied.

Shareholders are entitled to receive dividends if, as and when declared by the Denison Board. The directors have adopted a policy of dedicating cash flow to reinvestment in the business of Denison. Accordingly, no dividends have been declared to date. Further, Denison is restricted from paying dividends under the fourth amended and restated credit agreement dated as of January 30, 2015, between DMI, Denison and the Bank of Nova Scotia.

## Prior Sales

The following table sets forth the issuances of Denison Shares and securities convertible into Denison Shares during the 12-month period prior to the date of this Circular. The information presented below has not been adjusted for the Consolidation.

Date of Issuance	Reason for Issuance	Number and Type of Securities	Issue/Exercise/Conversion Price per Security (CAD\$)
May 26, 2015	Private Placement	12,000,000 “flow-through” Denison Shares	1.25
March 23, 2015	Option Grant	103,000 Denison Options	1.01
March 9, 2015	Option Grant	1,542,000 Denison Options	1.10
January 21, 2015	Warrant Exercise	90,880 Denison Shares	0.84
January 20, 2015	Option Exercise	7,100 Denison Shares	0.71
January 20, 2015	Warrant Exercise	3,550 Denison Shares	0.84
January 19, 2015	Warrant Exercise	21,300 Denison Shares	0.84
January 15, 2015	Warrant Exercise	367,070 Denison Shares	0.84
January 14, 2015	Warrant Exercise	8,875 Denison Shares	0.84
January 9, 2015	Warrant Exercise	71,000 Denison Shares	0.84
October 23, 2014	Warrant Exercise	134,900 Denison Shares	0.84
September 18, 2014	Warrant Exercise	7,100 Denison Shares	0.84
September 4, 2014	Option Exercise	17,000 Denison Shares	1.08
September 2, 2014	Option Exercise	26,000 Denison Shares	1.31

## Trading Price and Volume

The Denison Shares trade on the TSX under the symbol “DML” and on the NYSE MKT under the symbol “DNN”. The following table sets forth, for the periods indicated, the reported intra-day high and low sales prices and aggregate volume of trading of the Denison Shares on the TSX (source: TMX Datalinx) and NYSE MKT (source: Bloomberg Finance).

Month	TSX			NYSE MKT		
	High (CAD\$)	Low (CAD\$)	Volume	High (\$)	Low (\$)	Volume
September 2014	1.480	1.270	10,226,440	1.36	1.13	13,200,907
October 2014	1.265	1.030	12,452,679	1.14	0.80	16,282,184
November 2014	1.390	1.020	21,338,779	1.23	0.90	16,854,211
December 2014	1.190	1.070	10,967,552	1.02	0.92	11,933,808
January 2015	1.170	1.020	9,839,172	1.00	0.83	10,095,314
February 2015	1.220	1.080	12,153,207	0.98	0.84	8,853,939
March 2015	1.125	0.980	12,268,736	0.91	0.77	8,085,642
April 2015	1.200	0.980	17,702,123	1.02	0.76	17,080,109
May 2015	1.130	1.010	9,734,453	0.99	0.82	11,483,544
June 2015	1.050	0.900	11,871,393	0.86	0.71	9,360,899
July 2015	0.920	0.550	24,275,187	0.74	0.43	17,998,075
August 2015	0.720	0.550	12,185,144	0.61	0.41	15,116,863
September 1 - 14	0.660	0.570	3,762,044	0.52	0.43	6,323,532

The closing price of the Denison Shares on the TSX and on the NYSE MKT on September 14, 2015 was CAD\$0.570 and \$0.4394, respectively.

## Risk Factors

There are a number of factors that could negatively affect Denison’s business and the value of the Denison Shares. For information pertaining to the outlook and conditions currently known to Denison that could have a material impact on the financial condition, operations and business of Denison, shareholders should refer to the “Risk Factors” that are described in detail in the Denison AIF and management’s discussion and analysis, which are incorporated herein by reference.

Shareholders should also carefully consider all of the information disclosed in this Circular and the documents incorporated by reference.

The risk factors that are identified in this Circular and the documents incorporated by reference are not exhaustive and other factors may arise in the future that are currently not foreseen by management of Denison that may present additional risks in the future.

## Probable Acquisition

Upon the completion of the Arrangement, Denison will acquire all of the issued and outstanding Fission Shares and Fission will amalgamate with Subco to become a wholly-owned subsidiary of Denison. If completed, the acquisition of Fission by Denison will be a “significant

acquisition” for the purposes of Part 8 of NI 51-102. Fission is a Canadian-based uranium exploration company operating in Canada’s Athabasca Basin. Fission’s sole property asset is the Patterson Lake South Property which comprises seventeen (17) mineral claims totaling 31,309 hectares located in Saskatchewan. As a result of the Arrangement, Denison, indirectly through the amalgamated entity of Fission and Subco, will own 100% of the Patterson Lake South Property. For further details on Fission, please refer to Fission’s annual information form dated September 14, 2015 which is available under Fission’s corporate profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Pursuant to the terms of the Arrangement, Denison is to acquire all of the issued and outstanding Fission Shares for the offered consideration of 1.26 Denison Shares and CAD\$0.0001 for each one Fission Share held (subject to adjustment of the Exchange Ratio). All outstanding Fission Options will be exchanged for Denison Replacement Options, which will entitle the holder thereof to acquire from Denison the number of Denison Shares equal to the product of (A) the number of Fission Shares subject to the Fission Options immediately before the Effective Time, and (B) the Exchange Ratio, provided that if the foregoing would result in the issuance of a fraction of a Denison Shares on any particular exercise of Denison Replacement Options, then the number of Denison Shares otherwise issued shall be rounded down to the nearest whole number of Denison Shares. All outstanding Fission Warrants will be adjusted in accordance with the adjustment provisions in the relevant warrant certificate such that following the completion of the Arrangement, each holder of Fission Warrants is entitled to acquire from Denison the number of Denison Shares that is adjusted based on the Exchange Ratio and the anti-dilution provisions of such Fission Warrants in lieu of each Fission Share to which it was otherwise entitled to receive upon exercise. On completion of the Arrangement, former Fission Shareholders will hold approximately 48.4% of the issued and outstanding Denison Shares. The Consolidation and the name change from Denison to “Denison Energy Corp.” will also be completed shortly after the Effective Date, subject to Denison Shareholder approval. For further details please refer to the sections entitled “Principal Steps to the Arrangement” and “Denison Share Consolidation and Name Change” in this Circular.

The effect of the Arrangement on the financial position of Denison is outlined in the unaudited *pro forma* combined financial statements attached as Appendix G to this Circular which shows the effect of the Arrangement on the results of operations and financial position of Denison. The *pro forma* combined financial statements are based on the assumption that Denison will be successful in acquiring all of the Fission Shares and those assumptions described in the respective notes to the Combined Company’s unaudited *pro forma* combined statement of financial position as at June 30, 2015 (prepared on the basis that the Arrangement has occurred on June 30, 2015) and consolidated statement of income (loss) for the six month period ended June 30, 2015 and for the year ended December 31, 2014 (in each case prepared on the basis that the Arrangement has occurred on January 1, 2014). Fission’s consolidated results from operations have been constructed for the purpose of this *pro forma* disclosure and do not conform with the financial statements for Fission attached as Appendix H to this Circular. The material assumptions required to construct the *pro forma* financial information are set forth in the notes to the *pro forma* combined financial statements contained in Appendix G to this Circular.

The Arrangement will constitute an arm’s length transaction between Denison and Fission. Neither Denison nor Fission obtained any valuation opinions in respect of their businesses within the last 12 months from the date of this Circular.

The Effective Date is anticipated to occur on or about October 19, 2015.

### **Auditors and Transfer Agent**

The auditors of Denison are PricewaterhouseCoopers LLP, Chartered Professional Accountants (“**PricewaterhouseCoopers**”). PricewaterhouseCoopers LLP has advised that it is independent with respect to Denison within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

The registrar and transfer agent for the Denison Shares is Computershare Investor Services Inc. The address for Computershare Investor Services Inc. is 100 University Avenue, 9th Floor, Toronto, ON, M5J 2Y1, Canada, and the telephone number is 1-800-564- 6253.

### **Interest of Experts**

The following persons, firms and companies are “qualified persons” within the meaning of NI 43-101, and are named as having prepared or certified a statement, report or valuation described or included herein directly or in a document incorporated by reference herein, in each case with respect to Denison.

RPA Inc. prepared the following technical reports for Denison:

- (a) the technical report on the Elliot Lake Property, Elliot Lake District, Ontario, Canada dated June 29, 2007 by Lawrence B. Cochrane, Ph.D., P.Eng. and Leo R. Hwozdyk, P.Eng;
- (b) the technical report on the Uranium Exploration Properties in Mongolia dated February 27, 2007 by Thomas C. Pool, P.E. and Neil N. Gow, P.Geo;
- (c) the technical report on the Denison Mines Inc. Uranium Properties, Saskatchewan, Canada dated November 21, 2005 as amended on February 16, 2006 by Richard E. Routledge, M.Sc., P.Geo. and James W. Hendry, P.Eng;
- (d) the technical report on the Mineral Resource Estimate for the McClean North Uranium Deposits, Saskatchewan dated January 31, 2007 by Richard E. Routledge, M.Sc., P.Geo;
- (e) the technical report on the Sue D Uranium Deposit Mineral Resource Estimate, Saskatchewan, Canada dated March 31, 2006 by Richard E. Routledge, M.Sc., P.Geo. and James W. Hendry, P.Eng;
- (f) the technical report on the Midwest Uranium Deposit Mineral Resource and Mineral Reserve Estimates, Saskatchewan, Canada dated June 1, 2005, as amended on February 14, 2006 by Richard E. Routledge, M.Sc., P.Geo., James W. Hendry, P.Eng. and Luke Evans, M.Sc., P.Eng;
- (g) the technical report on the Hairhan Uranium Exploration Property in Mongolia dated March 23, 2011 by Hrayr Agnerian, M.Sc. (Applied), P. Geo. and William E. Roscoe, Ph.D., P.Eng; and
- (h) the technical report on a Mineral Resource Estimate Update for the Phoenix Uranium Deposit, Wheeler River Project, Eastern Athabasca Basin, Northern Saskatchewan, Canada dated June 17, 2014 by William E. Roscoe, Ph.D, P.Eng.

Michel Dagbert, P.Eng. of Geostat Systems International Inc. prepared the technical report entitled “Technical Report on the Midwest A Uranium Deposit, Saskatchewan, Canada” dated January 31, 2008.

Allan Armitage, Ph.D., P.Geol., and Alan Sexton, M.Sc., P.Geo. of GeoVector prepared the technical report entitled “Mineral Resource Estimate On The J Zone Uranium Deposit, Waterbury Lake Property” dated September 6, 2013.

Malcolm Titley, B.Sc., MAIG, of CSA Global (UK) Ltd prepared the technical report entitled “Mineral Resource Estimates for the Mutanga Uranium Project” dated September 12, 2013.

Steve Blower, P. Geo, the Vice President of Exploration of Denison, who is a “qualified person” within the meaning of NI 43-101, prepared sections of the Denison AIF that are of a scientific or technical nature pertaining to Denison’s mineral projects in Canada, Mali, Namibia and Zambia, and has verified the data disclosed therein.

Terry V. Wetz, P.E., the Executive Director of the Gurvan Saihan joint venture in Mongolia, who is a “qualified person” within the meaning of NI 43-101, prepared sections of the Denison AIF that are of a scientific or technical nature pertaining to Denison’s mineral projects in Mongolia, and has verified the data disclosed therein.

To the knowledge of Denison, each of the above experts beneficially owned, directly or indirectly, less than 1% of the issued and outstanding Denison Shares at the time of the preparation of the reports and/or at the time of the preparation of the technical information incorporated by reference in this Circular.



## APPENDIX “F” INFORMATION CONCERNING THE COMBINED COMPANY

Terms not otherwise defined in this Appendix have the meanings given to them in the Circular under “Glossary of Terms”. This Appendix is qualified in its entirety by, and should be read together with, the detailed information contained or referred to elsewhere, or incorporated by reference, in the Circular and applicable Appendices.

### Name and Incorporation

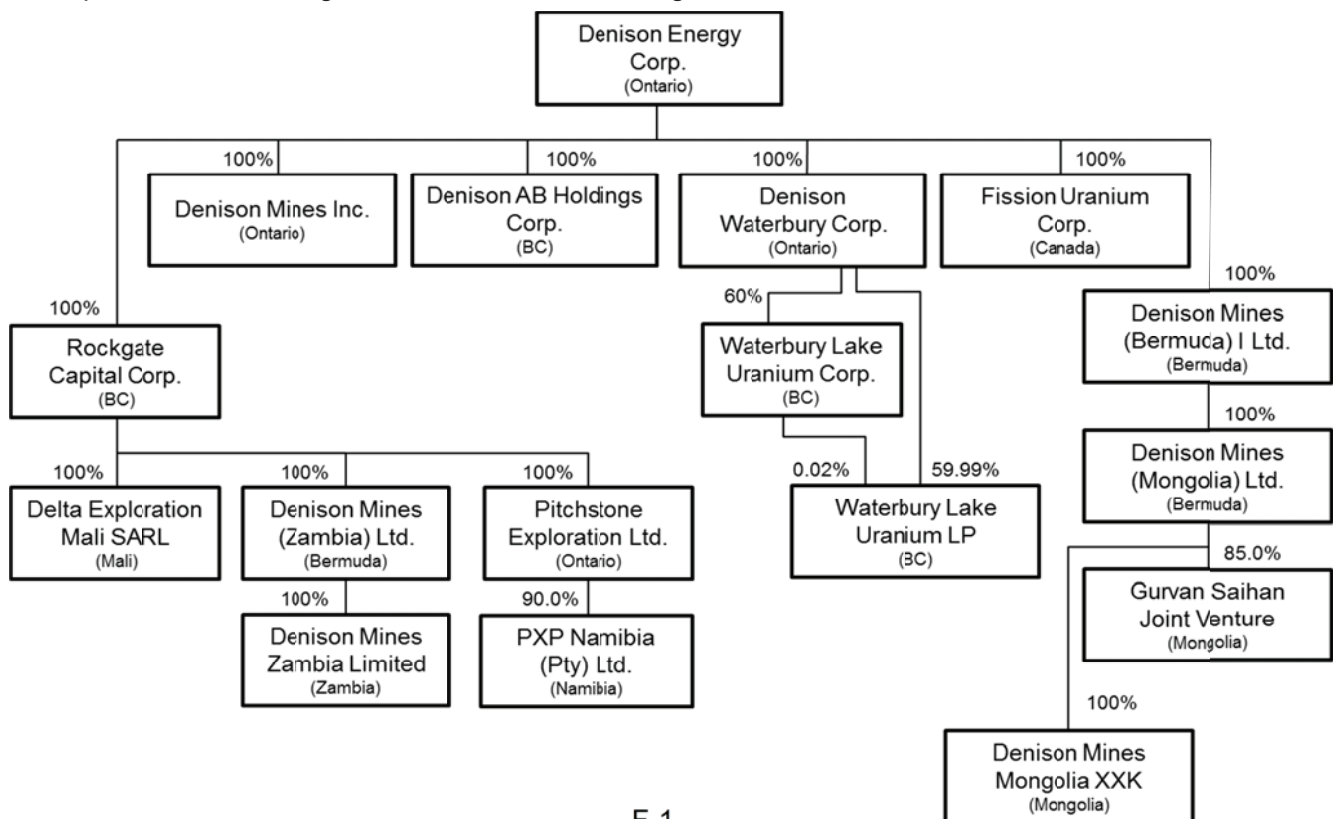
Following the completion of the Arrangement, it is expected that the Combined Company will continue with the existing businesses of both Denison and Fission and will continue to be a corporation governed pursuant to the provisions of the *Business Corporations Act* (Ontario).

If the various Denison resolutions are approved by Denison Shareholders at the Denison Meeting, the Arrangement Resolution is approved by the Fission Shareholders at the Fission Meeting and all applicable conditions to the completion of the Arrangement are otherwise satisfied or waived, prior to the completion of the Arrangement, Fission will then file Articles of Arrangement giving effect to the Arrangement, following which, Denison will file Articles of Amendment to effect the consolidation of Denison Shares on a 2-for-1 basis (the “**Consolidation**”) and the name change from Denison to Denison Energy Corp. (the “**Name Change**”).

The articles of the Combined Company will be the same as the articles of Denison. Following completion of the Arrangement, it is intended that the Combined Company’s registered office be located at 40 University Ave, Suite 1100, Toronto, Ontario, Canada M5J 1T1 and the executive and head office be located at 700-1620 Dickson Avenue, Kelowna, British Columbia, Canada V1Y 9Y2.

### Corporate Structure

The following chart sets forth the corporate structure of the Combined Company following the completion of the Arrangement and the Name Change.



Note: On July 30, 2015, Denison announced that it had entered into an agreement to sell Denison Mines (Mongolia) Ltd. which subsidiary holds all of Denison's interests in mining assets and operations located in Mongolia. See "Recent Developments" below.

### **Description of Share Capital**

Under the Arrangement, the outstanding share capital of the Combined Company will be the same as the outstanding share capital of Denison, other than giving effect to (i) the issuance of Consideration Shares, (ii) the Consolidation, (iii) the issuance of the post-Consolidation Denison Shares (the "**New Denison Shares**") in connection with the Retention Bonus Payments, (iv) the issuance of the Denison Replacement Options, and (v) the reservation of New Denison Shares in connection with the Denison Replacement Options and Fission Warrants.

### **Post-Arrangement Shareholdings and Principal Shareholders**

Assuming that no dissent rights are exercised by holders of Fission Shares in respect of the Arrangement Resolution under the Arrangement, Denison will issue 486,660,032 Denison Shares (243,330,016 New Denison Shares after giving effect to the Consolidation) to former Fission Shareholders and will reserve (i) 42,308,695 Denison Shares (21,154,345 New Denison Shares after giving effect to the Consolidation) for issuance pursuant to the Denison Replacement Options, and (ii) 1,739,471 Denison Shares (869,733 New Denison Shares after giving effect to the Consolidation) for issuance pursuant to the outstanding Fission Warrants.

Upon completion of the Arrangement and prior to giving effect to the Consolidation or issuance of the Retention Bonus Shares, Denison will have 1,005,098,701 Denison Shares issued and outstanding on an undiluted basis, with 486,660,032 Denison Shares to be held by former Fission Shareholders and 518,438,669 Denison Shares to be held by current Denison Shareholders, which represents ownership of Denison of approximately 48.4% by former Fission Shareholders and approximately 51.6% by current Denison Shareholders on an undiluted basis.

Following the Arrangement and upon giving effect to the Consolidation, Denison will have 502,549,350 New Denison Shares issued and outstanding on an undiluted basis, with 243,330,016 New Denison Shares held by former Fission Shareholders (48.4%) and 259,219,334 New Denison Shares held by current Denison Shareholders (51.6%).

To the best knowledge of the directors and senior officers of Denison, based on publicly available information in relation to Denison and Fission, as of the date of this Circular and after giving effect to the Arrangement and the Consolidation, no person will beneficially own, control or direct, directly or indirectly, any New Denison Shares carrying more than 10% of the voting rights attached to all outstanding New Denison Shares.

### **Consolidated Capitalization**

The following table summarizes (i) Denison's consolidated capitalization as at June 30, 2015, and (ii) the Combined Company's consolidated capitalization as at June 30, 2015 (after giving effect to the Arrangement only). The table should be read in conjunction with the financial statements of Denison and Fission, including the notes thereto, included elsewhere or incorporated by reference in this Circular.

	Denison as at June 30, 2015	Combined Company as at June 30, 2015 (after giving effect to the Arrangement) <sup>(1)(3)</sup>
Description	(all dollar amounts in thousands of U.S. dollars)	
Denison Shares	1,130,785	1,495,780 <sup>(2)</sup>
Denison Warrants	24	26
Contributed Surplus	53,684	64,103
Deficit	(906,465)	(906,465)
Accumulated Other Comprehensive Income (loss)	(41,672)	(41,672)
Shareholders' Equity	236,356	611,772

- (1) Does not give effect to the issuance of any Retention Bonus Shares in connection with the Retention Bonus Payments.
- (2) Dollar amount of Consideration assumed to be issued pursuant to the Arrangement has been calculated based on the issuance of 486,660,032 Denison Shares valued based on the closing price of the Denison Shares on the NYSE MKT on June 30, 2015 of \$0.75.
- (3) Where applicable, amounts in Canadian dollars have been converted to U.S. dollars using the June 30, 2015, Bank of Canada closing rate of exchange for U.S. dollars, which was CAD\$1.00 = \$0.8006.

## Dividends

Denison Shareholders are entitled to receive dividends if, as and when declared by the Denison Board. The directors of Denison have adopted a policy of dedicating cash flows to reinvestment in the business of Denison and accordingly, no dividends have been declared to date. Further, Denison is restricted from paying dividends under its credit facility. Following the Arrangement, the Combined Company does not expect to pay dividends in the foreseeable future.

## Directors and Executive Officers of the Combined Company

Following completion of the Arrangement, the board of directors of the Combined Company will be comprised of ten (10) directors, five (5) from each of the Denison Board and the Fission Board. Devinder Randhawa, Fission's current Chief Executive Officer, will be appointed as Chief Executive Officer; Ross McElroy, Fission's current President and Chief Operating Officer, will be appointed as President and Chief Operating Officer and David Cates, Denison's current President and Chief Executive Officer, will be appointed as Chief Financial Officer, of the Combined Company. The names, municipalities of residence, position and principal occupations of each of the directors and executive officers of the Combined Company are set forth in the table below. The number of New Denison Shares that each individual will beneficially own, control or direct, directly or indirectly (after giving effect to the Arrangement and the Consolidation) is given based on publicly available information as of the date of this Circular and information provided from the noted individual.

<u>Name and Municipality of Residence</u>	<u>Position</u>	<u>Principal Occupation</u>	<u>Number of New Denison Shares Held<sup>(1)</sup></u>
Devinder Randhawa British Columbia, Canada	Chief Executive Officer and Director	Mr. Randhawa is currently the Chief Executive Officer, Director and Chairman of Fission	3,385,260
Ross McElroy British Columbia, Canada	President, Chief Operating Officer and Director	Mr. McElroy is currently the President, Chief Operating Officer and Director of Fission	2,091,174
David Cates Ontario, Canada	Chief Financial Officer	Mr. Cates is currently the President and Chief Executive Officer of Denison	397,207

<b><u>Name and Municipality of Residence</u></b>	<b><u>Position</u></b>	<b><u>Principal Occupation</u></b>	<b><u>Number of New Denison Shares Held<sup>(1)</sup></u></b>
Ron F. Hochstein British Columbia, Canada	Director	Mr. Hochstein is currently the Executive Chairman of Denison and President and Chief Executive Officer of Lundin Gold Inc.	881,964
Brian D. Edgar British Columbia, Canada	Director (Independent)	Mr. Edgar is currently a Director of Denison, as well as four other public companies including Silver Bull Resources, Inc. of which he is Chairman of the board.	35,000
Lukas H. Lundin Vaud, Switzerland	Chairman	Mr. Lundin is currently a Director of Denison and a mining executive	525,000
Joo Soo Park Naju-si, Korea	Director (Independent)	Mr. Park is currently a Director of Denison and the General Manager of Overseas Resources Development Dept., KEPCO Canada Uranium Investment Limited Partnership ("KEPCO")	Nil <sup>(2)</sup>
Catherine J. G. Stefan Ontario, Canada	Director (Independent)	Ms. Stefan is currently a Director of Denison and the President of Stefan & Associates, a consulting firm	40,000
Frank Estergaard British Columbia, Canada	Director (Independent)	Mr. Estergaard is currently a Director of Fission and the President of Frannan Enterprises Ltd., a consulting firm	544,919
William Marsh British Columbia Canada	Director (Independent)	Mr. Marsh is currently a Director of Fission and is an independent consultant	6,237
Jeremy Ross British Columbia, Canada	Director (Independent)	Mr. Ross is currently a Director of Fission and is a corporate development consultant	Nil

(1) Assumes that all Retention Bonus Payments were satisfied through the issuance of Retention Bonus Shares based on the five (5) day VWAP of the Denison Shares on the TSX as at the Record Date, being CAD\$0.637

(2) Mr. Park is the nominee of KEPCO pursuant to the terms of a strategic relationship agreement. On closing of the Arrangement, KEPCO will hold approximately 5% of the issued and outstanding shares of the Combined Company.

Directors will be appointed to the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and the Environment, Health and Safety Committee of the Combined Company following completion of the Arrangement in accordance with regulatory guidelines.

The term of office of the directors expires annually at the time of the Combined Company's next annual general meeting or when or until their successor is duly appointed or elected. The term of office of the Combined Company's executive officers expires at the discretion of the Combined Company's directors. The following directors will not be considered independent within the meaning of National Instrument 58-101: Messrs. Randhawa (Chief Executive Officer), McElroy (President and Chief Operating Officer) and Hochstein (executive officer of Denison within the last three years). Each of Messrs/Mesdames Edgar, Park, Stefan, Estergaard, Marsh and Ross are considered to be independent. Other than in their capacity as a director of either Fission or Denison, as applicable, none of the proposed directors of the Combined Company identified above as independent, have

received any fees from either company nor do they have a relationship that could reasonably be expected to interfere with the exercise of such director's independent judgment.

Currently, the Denison Board consists of John H. Craig, W. Robert Dengler, Brian D. Edgar, Ron F. Hochstein, Lukas H. Lundin, Joo Soo Park, William A. Rand and Catherine J.G. Stefan. In connection with the Arrangement, Messrs. Craig, Dengler and Rand will resign as directors of Denison and be replaced by those individuals listed above. Mr. Hochstein will resign as Executive Chairman and Mr. Lundin will be appointed as Non-Executive Chairman. In addition, David Cates will resign as President and Chief Executive Officer of Denison and Gabriel (Mac) McDonald will resign as Chief Financial Officer of Denison.

### **Shareholdings of Directors and Executive Officers**

As at the date of this Circular, after giving effect to the Arrangement, the Consolidation and the issuance of the Retention Bonus Shares (on the basis of the assumptions contained in Note 1 of the above Directors and Executive table), the proposed directors and executive officers of the Combined Company, as a group, will beneficially own, or control or direct, directly or indirectly, 7,906,761 New Denison Shares, representing approximately 1.57% of the issued and outstanding New Denison Shares (on a non-diluted basis) assuming no options or warrants are exercised.

### **Biographical Information**

The following is a brief description of each of the proposed new directors and executive officers of the Combined Company (including details with regard to their principal occupations for the last five years).

**Devinder Randhawa**, Chief Executive Officer and a Director, is an experienced executive officer with a strong track record of growing resource, mining exploration and energy companies. He is the President of RD Capital Inc., a privately held consulting firm providing venture capital and corporate finance services to emerging companies in the resources and non-resource sectors both in Canada and the U.S. Prior to Denison's acquisition of Fission Energy, Mr. Randhawa was the Chairman and Chief Executive Officer of Fission Energy. Mr. Randhawa received an Honours Bachelor of Business Administration degree from Trinity Western College of Langley, British Columbia and an MBA from the University of British Columbia.

**Ross McElroy**, President, Chief Operating Officer and a Director, is a professional geologist with over 30 years of experience in the mining industry. Prior to Denison's acquisition of Fission Energy, Mr. McElroy was the President and Chief Operating Officer of Fission Energy. Mr. McElroy has comprehensive experience with working and managing many types of mineral projects from grass roots exploration to feasibility and production and has held positions with both major and junior mining companies which include BHP Billiton, Cogema Canada (now AREVA) and Cameco. He was a member of the early stage discovery team of the MacArthur River uranium deposit. Mr. McElroy received a Bachelor of Science (B.Sc.) degree with a Specialization in Geology from the University of Alberta and is a registered professional geologist in Alberta, Saskatchewan and Nunavut/Northwest Territories.

**David Cates**, Chief Financial Officer, is a Chartered Professional Accountant (CPA, CA). Prior to his appointment as President and Chief Executive Officer of Denison, Mr. Cates served as Denison's Vice President Finance, Tax and Chief Financial Officer. As Chief Financial Officer, Mr. Cates played a key role in the Company's mergers and acquisitions activities - leading the acquisition of Rockgate Capital Corp. and International Enexco Ltd. as well as the pending sale of Denison's Mongolian interests to Uranium Industry. Mr. Cates joined Denison in 2008 and held the position of Director, Taxation prior to his appointment as Chief Financial Officer. Prior to joining the Company, Mr. Cates held positions at Kinross Gold Corp. and PwC LLP with a focus on the resource industry. Mr. Cates also holds a Master of Accounting (MAcc) degree and an Honours Bachelor of Arts (BA) degree from the University of Waterloo.



**Brian D. Edgar**, a Director, is a lawyer who has practiced corporate and securities law for 16 years. Mr. Edgar is currently the Chairman of SilverBull Resources Inc., a mineral exploration company listed on the TSX. Mr. Edgar is an independent businessman and investor primarily in the natural resource sector and currently sits on the board of four other public companies.

**Ron F. Hochstein**, a Director, is currently Director and Chief Executive Officer of Lundin Gold Inc., a Canadian mining company listed on both the TSX and Nasdaq Stockholm. Mr. Hochstein has a wealth of experience in the mining industry. Mr. Hochstein will have served as Executive Chairman of Denison for a seven month period prior to the anticipated Effective Date. Prior to that Mr. Hochstein served as Denison's President and Chief Executive Officer (since 2009). Mr. Hochstein is currently President and Chief Executive Officer of Uranium Participation Corporation. He was previously with Simons Mining Group, an internationally recognized engineering company where he was involved in the financial analysis of a number of major projects. He has worked in the mining industry in consulting, operations and management in the U.S., Canada, South America and Africa. He has also spent time in the oil and gas industry, working early in his career for Brenda Oil and Gas and North Canadian Oils. Mr. Hochstein is a professional engineer and holds a B.Sc. in metallurgical engineering from the University of Alberta and an MBA from the University of British Columbia.

**Lukas H. Lundin**, a Director, was educated at the École Internationale de Genève in Switzerland. In 1981, Mr. Lundin graduated from the New Mexico Institute of Mining and Technology. Mr. Lundin headed International Petroleum Corporation's international operations and was based in the Company's technical office in Dubai, U.A.E. for over 12 years. From 1990 to June 1995, Mr. Lundin was President of International Musto Exploration Limited and was responsible for Musto's acquisition of the Bajo de la Alumbrera deposit. His uninhibited pursuit of highly prospective properties around the world has resulted in numerous resource discoveries, including the multi-million ounce Veladero gold discovery. Mr. Lundin has also led several companies through highly profitable business acquisitions and mergers such as Lundin Mining's CAD\$3.3 billion merger with EuroZinc Mining, the CAD\$2 billion sale of Tanganyika Oil Company Ltd., the CAD\$9.2 billion sale of Red Back Mining Inc. and the \$1.85 billion acquisition of the Candelaria Mine Complex from Freeport. He currently sits on the board of a number of publicly traded companies.

**Joo Soo Park**, a Director, is currently General Manager of the Overseas Resources Project department at KEPCO and formerly headed the Korea Electric Power Research Institute at KEPCO. His role at KEPCO includes managing overseas resource investment projects in five countries, including mining companies. In addition, Mr. Park held a senior level position at a nuclear power plant. He holds a Business Administration degree from Choongnam National University and an MBA from the Helsinki School of Economics.

**Catherine J.G. Stefan**, a Director, is a Chartered Accountant, Chartered Professional Accountant and a member of the Institute of Corporate Directors, with 30 years of business experience, primarily in senior management of public companies in the real estate sector. Ms. Stefan is currently President of Stefan & Associates, a consulting firm which Ms. Stefan formed in 1990. Ms. Stefan also serves as a board member of Lundin Mining Corporation. Previously, Ms. Stefan served as Chief Operating Officer of O&Y Properties Inc. from 1996 to 1998. From 1999 until 2008, Ms. Stefan was Managing Partner of Tivona Capital Corporation, a private investment firm. Ms. Stefan obtained her Bachelor of Commerce degree from the University of Toronto.

**Frank Estergaard**, a Director, is a Chartered Professional Accountant (CPA, CA). Mr. Estergaard served as a partner of KPMG for 38 years, providing audit, taxation and business advice to a wide range of clients as well as serving on KPMG's Management Committee and Partnership Board. Since retiring from KPMG, Mr. Estergaard has served as a director and chairman of the audit committee of QHR Technologies Inc. (TSX-V), CFO for Metalex Ventures Ltd. (TSX-V) and CFO and/or director for several private companies, including Rackforce Networks Inc. Prior to Denison's acquisition of Fission Energy, Mr. Estergaard was a director and chair of the audit committee of



Fission Energy, and he is currently a director and chair of the audit committee for Fission 3.0 Corp. and Fission Uranium Corp. Mr. Estergaard also provides financial consulting services through Frannan Enterprises Ltd., of which he is President.

**William Marsh**, a Director, is an independent consultant providing drilling advice to both public and private companies operating in Canada and internationally. Mr. Marsh previously worked on domestic and international drilling programs for Chevron for 15 years both in Canada and internationally. Mr. Marsh was a former director of Pacific Asia China Energy until its sale to Green Dragon Gas wholly owned subsidiary, Greka China Ltd, for CAD\$35.18 million in 2008. He was also a former director of Predator Capital Corp., Wolf Capital Corp. and Ballyliffin Capital Corp. Mr. Marsh has also provided consulting services to a number of resource exploration and production companies, both public and private, operating in Canada and internationally.

**Jeremy Ross**, a Director, has more than 17 years in corporate development and marketing for small cap to mid-tier mining, oil and gas companies. Mr. Ross has planned and implemented numerous marketing campaigns and was the Corporate Development Consultant for Fission Energy prior to the completion of its arrangement transaction with Denison in 2013.

### **Cease Trade Orders or Bankruptcies**

Except as disclosed herein, no proposed director or executive officer of the Combined Company is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Denison and Fission), that:

- (a) was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as disclosed herein, no proposed director or executive officer of the Combined Company or a shareholder holding a sufficient number of securities of the Combined Company to affect materially control of the Combined Company:

- (a) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Denison and Fission) that, while that person was acting in that capacity, become 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; or
- (b) has, within the 10 years before the date of this Circular, become 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 the assets of the director, executive officer or shareholder.

Mr. Edgar was a director of New West Energy Services Inc. ("**New West**") when, on September 5, 2006, a cease trade order was issued by the British Columbia Securities Commission against that company for its failure to file financial statements within the prescribed time. The default was rectified and the order was rescinded on November 9, 2006. Brian Edgar resigned as a director of New West in August 2009.

Messrs. Hochstein and Lundin were directors of Sirocco Mining Inc. ("**Sirocco**"). Mr. Lundin resigned on January 31, 2014, at which times Sirocco was financially solvent.

Pursuant to a plan of arrangement completed on January 31, 2014, Canada Lithium Corp. acquired Sirocco. The final step in the plan of arrangement transaction was the amalgamation of Canadian Lithium Corp. and Sirocco to form RB Energy Inc. ("**RBI**"). On October 13, 2014, RBI announced that, among other things, the board of directors of RBI had approved a filing on October 14, 2014, for an Initial Order to commence proceedings under the Companies' Creditors Arrangement Act (the "**CCAA**"). The TSX de-listed RBI's common shares effective at the close of business on November 24, 2014 for failure to meet the continued listing requirements of the TSX. On May 8, 2015, RBI provided a final update on the outcome of the CCAA proceedings, the Court approved sale and investor solicitation process and announced that a receiver had been appointed upon motion by the "debtor-in-possession" lender asking the Court to appoint a receiver and terminate the CCAA proceedings.

Although Mr. Lundin was not a director, officer or insider of RBI, he was a director of Sirocco within the 12 month period prior to RBI filing under the CCAA. Mr. Hochstein was a director of RBI from the time of the plan of arrangement with Canadian Lithium Corp. to October 3, 2014.

### **Penalties or Sanctions**

No proposed director or executive officer of the Combined Company, or a shareholder holding a sufficient number of securities of the Combined Company to affect materially the control of the Combined Company, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision regarding Denison or Fission.

The foregoing information, not being within the knowledge of the Combined Company, has been furnished by the respective directors and officers of the Combined Company.

### **Stock Exchange Listings**

Shortly after the Effective Date, it is expected that the Combined Company will delist the Fission Shares from the TSX and will cause Fission to cease to be a reporting issuer under the laws of each province in which it is a reporting issuer. The New Denison Shares will continue to be listed on the TSX under the symbol "DFU" and on the NYSE MKT under the symbol "DFU".

### **Auditors**

The auditors of the Combined Company following the completion of the Arrangement will continue to be PricewaterhouseCoopers.

## Transfer Agent and Registrar

The transfer agent and registrar for the Combined Company following the completion of the Arrangement will continue to be Computershare Investor Services Inc., at its principal offices in Toronto, Ontario.

## Risk Factors of the Combined Company Following the Arrangement

Risk factors of the Combined Company are not expected to differ significantly from the Risk Factors applicable to Denison and Fission's individual businesses. These risk factors include certain risks related to the Arrangement which are discussed in greater detail in the Circular under "The Meeting – The Arrangement – Risks Associated with the Arrangement".

## Pro Forma Financial Information

The following selected unaudited *pro forma* combined financial information for the Combined Company is based on the assumptions described in the respective notes to the Combined Company's unaudited *pro forma* combined statement of financial position as at June 30, 2015 (prepared on the basis that the Arrangement has occurred on June 30, 2015) and consolidated statement of income (loss) for the six month period ended June 30, 2015 and for the year ended December 31, 2014 (in each case prepared on the basis that the Arrangement has occurred on January 1, 2014), which is attached as Appendix G to this Circular. Fission's consolidated results from operations have been constructed for the purpose of this pro forma disclosure and do not conform with the financial statements for Fission.

**The unaudited *pro forma* combined financial statements are not necessarily indicative of the Combined Company's consolidated financial position and results from operations if the events reflected therein were in effect for the periods presented, nor do they purport to project the Combined Company's consolidated financial position or results from operations for any future period.**

The unaudited *pro forma* combined financial statements are based on certain assumptions and adjustments. The selected unaudited *pro forma* combined financial information given below should be read in conjunction with the description of the Arrangement contained in this Circular, the unaudited *pro forma* combined financial statements contained in this Circular and the audited and unaudited consolidated financial statements of Denison and Fission.

<b>(in thousands of U.S. Dollars)</b>	<b>As at June 30, 2015</b>
<b>Pro-Forma Statement of Financial Position:</b>	
Cash and cash equivalents	\$32,587
Short term investments	\$8,017
Long term investments	<u>\$1,872</u>
Cash, equivalents and investments	\$42,476
Working capital	\$30,302
Plant and equipment	\$71,918
Mineral properties	\$486,493
Total assets	\$616,229
Total long-term liabilities	<u>\$120,950</u>

(in thousands of U.S. Dollars, except for per share amounts)	Six months ended June 30, 2015	Twelve months ended Dec. 31, 2014
<b>Pro-Forma Statement of Income (Loss):</b>		
Total revenues	\$5,257	\$9,619
Net income (loss)	(\$27,614)	(\$78,555)
Basic and diluted earnings (loss) per share	(\$0.03)	(\$0.08)

**APPENDIX “G”**  
**PRO FORMA FINANCIAL STATEMENTS OF DENISON**

# DENISON MINES CORP.

Pro Forma Combined Statement of Financial Position

As at June 30, 2015

(Unaudited – Expressed in thousands of U.S dollars)

	A	B		C	A+B+C
	Denison	Fission	Pro- Forma Notes	Pro- Forma Adjustment	Pro- Forma Denison
<b>ASSETS</b>					
<b>Current</b>					
Cash and cash equivalents	14,864	19,834	3 (a) 3 (b)	(29) (2,082)	32,587
Investments	8,015	2		-	8,017
Trade and other receivables	8,023	315		-	8,338
Inventories	2,132	-		-	2,132
Prepaid expenses and other	331	188		-	519
	33,365	20,339		(2,111)	51,593
<b>Non-Current</b>					
Inventories – ore in stockpiles	1,679	-		-	1,679
Investments	463	2,434	3 (f)	(1,025)	1,872
Restricted cash and investments	2,319	-		-	2,319
Plant and equipment	71,768	150		-	71,918
Mineral properties	177,495	194,915	3 (d) 3 (f)	(53,608) 167,691	486,493
Intangibles	355	-		-	355
Total assets	287,444	217,838		110,947	616,229
<b>LIABILITIES</b>					
<b>Current</b>					
Accounts payable and accrued liabilities	9,754	1,530	3 (b) 3 (f)	1,309 2,212	14,805
Post-employment benefits	240	-		-	240
Reclamation obligations	656	-		-	656
Debt obligations	22	-		-	22
Other liabilities	2,044	3,524		-	5,568
	12,716	5,054		3,521	21,291
<b>Non-Current</b>					
Post-employment benefits	2,436	-		-	2,436
Reclamation obligations	15,937	-		-	15,937
Other liabilities	765	-		-	765
Deferred income taxes	19,234	732	3 (e) 3 (f)	(732) 82,578	101,812
Total liabilities	51,088	5,786		85,367	142,241
<b>EQUITY</b>					
Share capital (note 4)	1,130,785	308,590	3 (a) 3 (c)	236,600 (308,590)	1,367,385
Warrants	24	-		-	24
Contributed surplus	53,684	17,758	3 (a) 3 (c)	4,423 (17,758)	58,107
Retained earnings (deficit)	(906,465)	(81,370)	3 (b) 3 (c)	(3,391) 81,370	(909,856)
Accumulated other comprehensive income	(41,672)	(32,926)	3 (c)	32,926	(41,672)
Total equity	236,356	212,052		25,580	473,988
Total liabilities and equity	287,444	217,838		110,947	616,229

See accompanying notes to the pro forma combined financial statements



# DENISON MINES CORP.

Pro Forma Combined Statement of Income (Loss)

For the Six Months Ended June 30, 2015

(Unaudited – Expressed in thousands of U.S dollars except for per share amounts)

	A	B		C	A+B+C
	Denison	Fission	Pro- Forma Notes	Pro- Forma Adjustment	Pro- Forma Denison
<b>REVENUES</b>	5,257	-		-	5,257
<b>EXPENSES</b>					
Operating	(4,368)	-		-	(4,368)
Mineral property exploration	(9,146)	-	3 (d)	(13,009)	(22,155)
General and administrative	(3,006)	(2,480)		-	(5,486)
Share based compensation	(331)	(1,319)	3 (d)	(450)	(2,100)
Impairment of mineral properties	-	-		-	-
Other income (expense)	(4,860)	3,471	3 (g)	(3,498)	(4,887)
	(21,711)	(328)		(16,957)	(38,996)
Income (loss) before finance charges	(16,454)	(328)		(16,957)	(33,739)
Finance income (expense)	(306)	101		-	(205)
Income (loss) before taxes	(16,760)	(227)		(16,957)	(33,944)
Income tax recovery (expense)					
Deferred	2,832	(1,216)	3 (g) 3 (e)	3,498 1,216	6,330
Net income (loss)	(13,928)	(1,443)		(12,243)	(27,614)
Net income (loss) per share					
Basic and diluted	(0.03)				(0.03)
Weighted-average number of shares outstanding (in thousands):					
Basic and diluted (note 6)	508,391				995,051

See accompanying notes to the pro forma combined financial statements

Fission consolidated results from operations have been constructed for the purpose of this pro forma disclosure for the 6 month period ending June 30, 2015 – please refer to note 5 for additional details

# DENISON MINES CORP.

Pro Forma Combined Statement of Income (Loss)

For the Twelve Months Ended December 31, 2014

(Unaudited – Expressed in thousands of U.S dollars except for per share amounts)

	A	B		C	A+B+C
	Denison	Fission	Pro- Forma Notes	Pro- Forma Adjustment	Pro- Forma Denison
<b>REVENUES</b>	9,619	-		-	9,619
<b>EXPENSES</b>					
Operating	(11,651)	-		-	(11,651)
Mineral property exploration	(14,795)	-	3 (d)	(34,258)	(49,053)
General and administrative	(6,790)	(6,127)		-	(12,917)
Share based compensation	(800)	(8,900)	3 (d)	(1,520)	(11,220)
Impairment of mineral properties	(1,745)	-		-	(1,745)
Other income (expense)	(7,558)	3,667	3 (g)	(3,574)	(7,465)
	(43,339)	(11,360)		(39,352)	(94,051)
Income (loss) before finance charges	(33,720)	(11,360)		(39,352)	(84,432)
Finance income (expense)	(282)	286		-	4
Income (loss) before taxes	(34,002)	(11,074)		(39,352)	(84,428)
Income tax recovery (expense)					
Current	(5)	-		-	(5)
Deferred	2,304	(643)	3 (g) 3 (e)	3,574 643	5,878
Net income (loss)	(31,703)	(11,717)		(35,135)	(78,555)
Net income (loss) per share					
Basic and diluted	(0.06)				(0.08)
Weighted-average number of shares outstanding (in thousands):					
Basic and diluted (note 6)	494,510				981,170

See accompanying notes to the pro forma combined financial statements

Fission consolidated results from operations have been constructed for the purpose of this pro forma disclosure for the 12 month period ending December 31, 2014 – please refer to note 5 for additional details

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# DENISON MINES CORP.

Notes to the Pro Forma Combined Financial Statements  
(Unaudited, expressed in U.S. dollars unless otherwise noted)

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## 1. BASIS OF PRESENTATION

These unaudited pro forma combined financial statements have been prepared by the management of Denison from the audited and unaudited historical financial statements of Denison Mines Corp ("Denison") and Fission Uranium Corp ("Fission"), each prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and give effect to a proposed plan of arrangement under which all of the issued and outstanding shares of Fission are acquired by Denison as described in Note 2 (the "Arrangement"). The historical financial statements have been adjusted in the unaudited pro forma combined financial statements to give effect to events that are directly attributable to the proposed arrangement and are factually supportable. The unaudited pro forma combined statement of income (loss) has not been adjusted to reflect any non-recurring charges directly related to the pro forma events that may be incurred upon completion of the proposed acquisition. These pro forma financial statements include:

- a) An unaudited pro forma combined statement of financial position as at June 30, 2015 prepared from information derived from Denison's unaudited condensed interim consolidated statement of financial position as at June 30, 2015 and Fission's audited consolidated statement of financial position as at June 30, 2015, converted to U.S. dollars at a rate of 0.8006, and gives effect to the Arrangement as if it was completed on June 30, 2015 and giving effect to the assumptions as described in Note 3; and
- b) An unaudited pro forma combined statement of income (loss) for the six months ended June 30, 2015 prepared from information derived from Denison's unaudited condensed interim consolidated statement of income (loss) for the six months ended June 30, 2015 and Fission's constructed unaudited consolidated statement of income (loss) for the six months ended June 30, 2015, converted to U.S. dollars at a rate of 0.8096, prepared as described in Note 5, and gives effect to the Arrangement as if it had occurred on January 1, 2014; and
- c) An unaudited pro forma combined statement of income (loss) for the year ended December 31, 2014 prepared from information derived from Denison's audited consolidated statement of income (loss) for the year ended December 31, 2014 and Fission's constructed unaudited consolidated statement of income (loss) for the year ended December 31, 2014, converted to U.S. dollars at a rate of 0.9053, prepared as described in Note 5, and gives effect to the Arrangement as if it had occurred on January 1, 2014.

These unaudited pro forma combined financial statements have been prepared for illustrative purposes only, and do not purport to represent the financial position that would have resulted had the Arrangement actually occurred on June 30, 2015 or the results of operations that would have resulted had the Arrangement actually occurred on January 1, 2014. Further, these unaudited pro forma combined financial statements are not necessarily indicative of the future financial position or results of operations of Denison as a result of the Arrangement and should be read in conjunction with the following interim and year-end consolidated financial statements:

- a) Denison's unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2015 and the audited consolidated financial statements for the twelve months ended December 31, 2014, as filed on SEDAR; and
- b) Fission's audited consolidated financial statements for the year ended June 30, 2015 and 2014 and its unaudited interim consolidated financial statements for the 6 months ended December 31, 2014 and 2013, as filed on SEDAR.

These unaudited pro forma combined financial statements do not reflect any cost savings, operating synergies or enhancements that the combined company may achieve or for liabilities resulting from integration planning as a result of the Arrangement. Any such savings or liabilities could be material.

## 2. PLAN OF ARRANGEMENT

Pursuant to an arrangement agreement dated July 27, 2015, Denison and Fission propose to carry out a plan of arrangement, subject to approval by the security holders of Denison and Fission, applicable regulatory authorities and the Supreme Court of British Columbia. Under the arrangement, Denison would acquire all of the issued and outstanding shares of Fission for consideration of 1.26 common shares of Denison plus CAD\$0.0001 per share in cash for each common share of Fission. Based upon the outstanding shares at June 30, 2015, the pre-combination shareholders of Denison and Fission would own approximately 51.6% and 48.4%, respectively,

of the combined company excluding any impacts relating to potential exercises of outstanding stock options and warrants.

For accounting purposes, Fission is considered a business and the provisions under IFRS 3 "Business Combinations" are being applied with Denison identified as the acquirer. As a result, transaction costs incurred by Denison relating to the issue of equity securities relating to the combination will be recorded as a component of equity while all other transaction costs will be expensed as incurred. Under the acquisition method of accounting, the assets acquired and liabilities assumed are recorded at fair value with the remaining excess purchase price, if any, recorded as goodwill.

### 3. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS

The following pro forma adjustments and the allocation of the purchase price to the assets acquired and liabilities assumed are preliminary and subject to change. Detailed plans for combining the operations of Denison and Fission have yet to be finalized. Additional costs may be incurred due to these efforts and have not been reflected in these pro forma financial statements.

#### a) Purchase of Fission outstanding shares, warrants and stock options

The total preliminary purchase price of \$241,052,000 for the Arrangement was determined as follows:

(in thousands)	
Fission common shares outstanding at June 30, 2015, in thousands	386,238
Exchange ratio	1.260
Common shares of Denison issued to Fission shareholders, in thousands	486,660
Fair value per Denison common share, in CAD\$	\$0.64
Fair value of Denison common shares issued, in CAD\$	\$ 311,462
Canadian dollar to U.S dollar exchange rate	0.7601
Fair value of Denison common shares issued	\$ 236,743
Less: transaction costs associated with issuing equity instruments under the Arrangement	(143)
Fair value of Denison common shares issued, net of transaction costs	236,600
Fair value of outstanding Fission share purchase warrants assumed by Denison	-
Fair value of outstanding Fission stock options assumed by Denison	4,423
Share exchange cash payment of CAD\$0.0001 per Fission share (note 2)	29
Preliminary purchase price	\$ 241,052

The fair value per Denison common share of CAD\$0.64 per share is the closing price of Denison shares on the TSX on August 31, 2015 and the foreign exchange rate of 0.7601 is the closing CAD to USD foreign exchange rate published by the Bank of Canada on August 31, 2015.

Pursuant to the Arrangement and subject to the exchange ratio of 1.26, Denison will assume the outstanding warrants and options of Fission and the holders of Fission stock options and warrants will ultimately receive the right to acquire common shares of Denison. The calculation of the fair values related to Fission's outstanding warrants and stock options at June 30, 2015 was prepared using the Black-Scholes option pricing model with the following assumptions: a Denison share price of CAD\$0.64 per share, risk-free interest rates between 0.44% and 0.58%, expected stock price volatility between 30.46% and 46.71%, expected life between 0.10 years and 4.10 years and an expected dividend yield of nil%.

The final purchase price for the Arrangement will be based on the closing market price of Denison common shares on the closing date, which could differ materially from the closing price used in these unaudited pro forma combined financial statements. Each CAD\$0.01 increase in the market value of the Denison common shares increases the equity components (shares, warrants and options) of the purchase price by approximately CAD\$5,087,000.

b) Denison costs associated with the Arrangement

Denison expects to incur various non-recurring costs relating to the closing of the Arrangement. The following table is a summary of the costs expected to be incurred:

(in thousands)	Amount	Amount
	CAD	USD
Transaction costs		
Investment banker fees	(1,000)	(801)
Legal, advisory, valuation and other professional fees	(1,600)	(1,281)
Termination costs under executive compensation agreements	(709)	(568)
Retention bonus costs	(926)	(741)
Total costs associated with the Arrangement	(4,235)	(3,391)

The transaction costs and termination costs are to be settled in cash while it is assumed that the retention bonus amounts will be settled in shares, subject to shareholder approval.

An additional CAD\$1,000,000 of retention bonus amounts associated with the Arrangement (and assumed to also be settled in shares, subject to shareholder approval) are allocable to Denison personnel and will be earned pro-rata over the year after the Arrangement is consummated. As these amounts are linked to post-combination services, this amount is not part of purchase accounting and has not been included as a liability in these pro forma statements.

c) Elimination of historical equity accounts of Fission

These pro forma adjustments eliminate the historical equity accounts of Fission.

d) Accounting policy difference for exploration and evaluation expenditures

Fission's policy is to capitalize all exploration and evaluation expenditures while Denison's policy is to expense all exploration expenditures and capitalize evaluation expenditures only once a property becomes sufficiently advanced. Both companies follow a policy of capitalizing acquisition costs. As at June 30, 2015, Denison does not consider the Patterson Lake South property being acquired sufficiently advanced under its accounting policies. Adjustments have been made to the pro forma statements to expense the exploration and evaluation expenditures capitalized by Fission.

e) Impact of accounting policy difference for exploration and evaluation expenditures on deferred income taxes

Fission's policy for exploration and evaluation expenditures creates a timing difference that under the liability approach to computing deferred tax typically results in the computation of a deferred tax liability. This deferred tax liability will either end up being reported on the period ending balance sheet or it will be utilized to allow various deferred tax assets to be recognized (up to the value of the deferred tax liability). The change in accounting policy for exploration and evaluation expenditures removes this deferred tax liability amount and as a result, Denison has made adjustments to the pro-forma statements that adjust the value of the period end deferred tax liability reported by Fission to nil and reverse deferred tax asset amounts booked by Fission to tax effect the share issue costs reported as a component of Fission's share capital.

f) Preliminary Purchase Price Allocation

The following table uses Fission's June 30, 2015 most recent audited consolidated statement of financial position, converted to USD using a CAD to USD foreign exchange rate of 0.8006 and allocates the preliminary purchase price based on Denison management's preliminary estimate of the fair values after making adjustments for accounting policy differences:

(in thousands)	Fission Carrying Value CAD	Fission Carrying Value USD	Accounting Policy Adjust. USD	Purchase Price Adjust USD	Preliminary Fair Value USD
<b>ASSETS</b>					
<b>Current</b>					
Cash and cash equivalents	24,774	19,834	-	-	19,834
Investments	2	2	-	-	2
Trade and other receivables	393	315	-	-	315
Prepaid expenses and other	235	188	-	-	188
	25,404	20,339	-	-	20,339
<b>Non-Current</b>					
Investments	3,041	2,434	-	(1,025)	1,409
Plant and equipment	187	150	-	-	150
Mineral properties <sup>(1)</sup>	243,461	194,915	(53,608)	167,691	308,998
Total assets	272,093	217,838	(53,608)	166,666	330,896
<b>LIABILITIES</b>					
<b>Current</b>					
Accounts payable and accrued liabilities	1,911	1,530	-	2,212	3,742
Other liabilities <sup>(2)</sup>	4,402	3,524	-	-	3,524
	6,313	5,054	-	2,212	7,266
<b>Non-Current</b>					
Deferred income taxes	915	732	(732)	82,578	82,578
Total liabilities	7,228	5,786	(732)	84,790	89,844
Net assets acquired	264,865	212,052	(52,876)	81,876	241,052

1) This balance consists solely of Fission's Patterson Lake South mineral property.

2) This balance consists solely of Fission's non-cash flow-through premium liability and has been reported as a component of "Other liabilities" consistent with Denison's grouping for liabilities of this type.

In arriving at the fair values of the assets acquired and liabilities assumed, Denison's management has made assumptions, estimates and assessments which are in part based on publicly available information at the time these pro forma combined financial statements were prepared and in part based on an interpretation of the provisions in the Arrangement agreement itself. The actual fair values of the assets and liabilities will be determined as of the closing date of the Arrangement and may differ materially from the amounts disclosed in the preliminary purchase price allocation set out in the table above.

The preliminary fair value adjustments are as follows:

- "Investments" – reflects an adjustment to the carrying value of Fission's equity accounted for investment in Fission 3.0 shares to the fair value determined by Fission 3.0's closing share price on the TSX on August 31, 2015;
- "Cash and cash equivalents" and "Accounts payable and accrued liabilities" – the aggregate adjustment represents various non-recurring costs to be incurred by Fission relating to the closing of the Arrangement. The following table is a summary of the costs expected to be incurred:

(in thousands)	Amount CAD	Amount USD
Termination costs under employee agreements	(92)	(74)
Retention bonus costs under executive employment agreements	(2,670)	(2,138)
Total costs associated with the Arrangement	(2,762)	(2,212)

The termination costs are to be settled in cash while it is assumed that the retention bonus amounts will be settled in shares, subject to shareholder approval. Transaction costs have not been included above as Fission is considered the acquiree for accounting purposes and these costs have been excluded in the preparation of these pro-forma statements prepared from the perspective of the acquirer. Transaction costs incurred by Fission are expected to be similar, in magnitude, to those of Denison.



An additional CAD\$1,000,000 of retention bonus amounts associated with the Arrangement (and to be settled in shares) are allocable to Fission personnel and will be earned pro-rata over the year after the Arrangement is consummated. As these amounts are linked to post-combination services, this amount is not part of purchase accounting and has not been included as a liability in these pro forma statements;

- “Mineral Properties” – this represents the adjustment of the mineral property to its fair value. Currently, this adjustment represents the excess of the purchase price over the fair value of the assets being acquired and the liabilities being assumed; and
- “Deferred income taxes” – the adjustment to deferred income taxes reflects an estimate of the tax impact of the Arrangement, in accordance with IFRS 3, on the preliminary fair value of the net assets of Fission acquired, primarily related to the temporary difference between the accounting value and tax value for mineral properties.

g) Classification of the recovery related to the extinguishment of a flow-through premium liability

Under flow-through share accounting, there are two options for the classification of the recovery related to the extinguishment of a flow-through premium liability – the recovery can be recorded to other income (used by Fission) or the recovery can be recorded to deferred income tax recovery (used by Denison). Denison has made adjustments to the combined pro-forma statement of income (loss) that reclassifies the recovery related to the extinguishment of a flow-through premium liability from other income to deferred tax recovery.

#### 4. SHARE CAPITAL

After giving effect to the pro forma adjustment described in Note 3 (a), the issued and outstanding share capital of Denison will be as follows:

(in thousands, including share amounts)	Number of Common Shares	
Balance at June 30, 2015	518,439	\$ 1,130,785
Issued by Denison to acquire Fission under the Arrangement (see Note 3 (a))	486,660	236,600
Pro forma balance at June 30, 2015	1,005,099	\$ 1,367,385

The calculation of the pro forma number of common shares above does not reflect the proposed 2-for-1 share consolidation to be voted on by Denison shareholders as part of the Special Meeting that also approves the Arrangement.

#### 5. CONSOLIDATED STATEMENT OF INCOME (LOSS) OF FISSION

The unaudited consolidated statement of income (loss) of Fission for the six months ended June 30, 2015 was constructed as follows:

- Adjusting the audited consolidated statement of income (loss) of Fission for the twelve months ended June 30, 2015 by subtracting the unaudited condensed consolidated interim statement of income (loss) of Fission for the six months ended December 31, 2014; and
- Translating the results to U.S dollars based on a CAD to USD average exchange rate for the period of 0.8096.

The adjustments as outlined above are summarized in the following table:

	A Twelve Months Ended Jun'2015 CAD	B Six Months Ended Dec'2014 CAD	A-B Six Months Ended Jun'2015 CAD	Six Months Ended Jun'2015 USD
(in thousands)				
<b>EXPENSES</b>				
Mineral property exploration	-	-	-	-
General and administrative	(6,838)	(3,775)	(3,063)	(2,480)
Share based compensation	(6,128)	(4,499)	(1,629)	(1,319)
Other income (expense)	4,306	19	4,287	3,471
Income (loss) before finance charges	(8,660)	(8,255)	(405)	(328)
Finance income (expense)	287	163	124	101
Income (loss) before taxes	(8,373)	(8,092)	(281)	(227)
Income tax recovery (expense)				
Deferred	(1,502)	-	(1,502)	(1,216)
Net income (loss)	(9,875)	(8,092)	(1,783)	(1,443)

The unaudited consolidated statement of income (loss) of Fission for the year ended December 31, 2014 was constructed as follows:

- Adjusting the unaudited condensed consolidated interim statement of income (loss) of Fission for the six months ended December 31, 2014 by adding the audited consolidated statement of income (loss) of Fission for the twelve months ended June 30, 2014 and subtracting the unaudited condensed consolidated interim statement of income (loss) of Fission for the six months ended December 31, 2013; and
- Translating the results to U.S dollars based on a CAD to USD average exchange rate for the period of 0.9053.

The adjustments as outlined above are summarized in the following table:

	A Six Months Ended Dec'2014 CAD	B Twelve Months Ended Jun'2014 CAD	C Six Months Ended Dec'2013 CAD	A+B-C Twelve Months Ended Dec'2014 CAD	Twelve Months Ended Dec'2014 USD
(in thousands)					
<b>EXPENSES</b>					
Mineral property exploration	-	437	437	-	-
General and administrative	(3,775)	(8,324)	(5,332)	(6,767)	(6,127)
Share based compensation	(4,499)	(9,667)	(4,335)	(9,831)	(8,900)
Impairment of mineral properties	-	(144)	(144)	-	-
Other income (expense)	19	13,347	9,315	4,051	3,667
Income (loss) before finance charges	(8,255)	(4,351)	(59)	(12,547)	(11,360)
Finance income (expense)	163	263	110	316	286
Income (loss) before taxes	(8,092)	(4,088)	51	(12,231)	(11,074)
Income tax recovery (expense)					
Deferred	-	(662)	49	(711)	(643)
Net income (loss)	(8,092)	(4,750)	100	(12,942)	(11,717)

## **6. PRO FORMA EARNINGS PER SHARE**

The calculation of pro forma earnings per share in the pro forma combined statement of income (loss) for the six months ended June 30, 2015 and the twelve months ended December 31, 2014 is based on the weighted average number of common shares outstanding of Denison for the six months ended June 30, 2015 and the twelve months ended December 31, 2014 plus the additional 486,660,000 common shares of Denison that would have been outstanding as if the Arrangement were completed on January 1, 2014.

The calculation of the pro forma earnings per share does not reflect the proposed 2-for-1 share consolidation to be voted on by Denison shareholders as part of the Special Meeting that also approves the Arrangement.

**APPENDIX “H”**  
**FINANCIAL STATEMENTS OF FISSION**



**Fission**  
URANIUM CORP.

**Consolidated Financial Statements**

**Fission Uranium Corp.**

**For the Year Ended  
June 30, 2015**



September 3, 2015

## **Independent Auditor's Report**

### **To the Shareholders of Fission Uranium Corp.**

We have audited the accompanying consolidated financial statements of Fission Uranium Corp., which comprise the consolidated statements of financial position as at June 30, 2015 and June 30, 2014 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years ended June 30, 2015 and June 30, 2014, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

#### **Management's responsibility for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



**Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Fission Uranium Corp. as at June 30, 2015 and June 30, 2014 and its financial performance and cash flows for the years ended June 30, 2015 and June 30, 2014 in accordance with International Financial Reporting Standards.

*signed "PricewaterhouseCoopers LLP"*

**Chartered Professional Accountants**

# **Fission Uranium Corp.**

## **Consolidated Financial Statements**

**For the Year Ended  
June 30, 2015**

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# Fission Uranium Corp.

Consolidated statements of financial position  
(Expressed in Canadian dollars)

	Note	June 30 2015	June 30 2014
		\$	\$
<b>Assets</b>			
Current assets			
Cash and cash equivalents		24,773,556	28,908,384
Short-term investments		2,250	15,000
Amounts receivable	5	393,339	658,244
Prepaid expenses		234,602	182,555
		<b>25,403,747</b>	29,764,183
Investment in Fission 3.0 Corp.	6	3,040,535	-
Property and equipment	7	187,248	242,682
Exploration and evaluation assets	8	243,461,489	210,020,459
<b>Total Assets</b>		<b>272,093,019</b>	240,027,324
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	9	1,911,369	3,312,827
Flow-through share premium liability	10(b)	4,402,200	-
		<b>6,313,569</b>	3,312,827
Deferred tax liability	13	914,834	-
<b>Total Liabilities</b>		<b>7,228,403</b>	3,312,827
<b>Shareholders' Equity</b>			
Share capital	10	333,328,259	297,123,549
Other capital reserves	10	18,810,691	16,990,702
Deficit		(87,274,334)	(77,399,754)
		<b>264,864,616</b>	236,714,497
<b>Total Liabilities and Shareholders' Equity</b>		<b>272,093,019</b>	240,027,324

Subsequent events (Note 16)

Approved by the board and authorized for issue on September 3, 2015.

**"Frank Estergaard"**

Director

**"William Marsh"**

Director

# Fission Uranium Corp.

Consolidated statements of loss and comprehensive loss  
(Expressed in Canadian dollars)

		<b>Year Ended June 30 2015</b>	Year Ended June 30 2014
	Note	\$	\$
<b>Expenses</b>			
Business development		<b>951,652</b>	924,111
Consulting and directors fees		<b>1,728,012</b>	1,503,045
Depreciation	7	<b>87,884</b>	86,430
Flow-through share tax		<b>3,893</b>	13,709
Office and administration		<b>951,223</b>	953,772
Professional fees		<b>471,805</b>	1,468,938
Public relations and communications		<b>1,093,073</b>	1,301,674
Share-based compensation	10(d)	<b>6,127,880</b>	9,666,837
Trade shows and conferences		<b>178,203</b>	338,515
Wages and benefits		<b>1,375,909</b>	1,747,758
		<b>12,969,534</b>	18,004,789
Other items - income/(expense)			
Exploration management fee income		-	437,200
Equipment rental income		<b>21,201</b>	71,106
Flow-through premium recovery		<b>4,321,125</b>	3,947,582
Foreign exchange loss		<b>(2,876)</b>	(11,889)
Gain/(loss) on investments		<b>(12,750)</b>	164,267
Interest and miscellaneous income		<b>309,583</b>	389,077
Exploration and evaluation write-down	8	-	(143,882)
Gain on de-consolidation of subsidiary	2	-	99,579
Gain on spin-off transaction	2	-	8,963,501
Share of loss from equity investment in Fission 3.0 Corp.	6	<b>(39,465)</b>	-
		<b>4,596,818</b>	13,916,541
Loss before income taxes		<b>(8,372,716)</b>	(4,088,248)
Deferred income tax expense	13	<b>(1,501,864)</b>	(662,312)
<b>Net loss and comprehensive loss for the year</b>		<b>(9,874,580)</b>	(4,750,560)
<b>Basic and diluted loss per common share</b>		<b>(0.03)</b>	(0.02)
<b>Weighted average number of common shares outstanding</b>		<b>367,018,059</b>	254,509,813

## Fission Uranium Corp.

Consolidated statements of changes in equity  
(Expressed in Canadian dollars)

		Share capital		Other capital		Total
	Note	Shares	Amount	reserves	Deficit	shareholders' equity
			\$	\$	\$	\$
<b>Balance, July 1, 2013</b>		149,894,586	79,315,530	487,206	(55,195,194)	<b>24,607,542</b>
Common shares issued for the acquisition of Alpha Minerals Inc.	2 & 10(a)	159,883,655	169,476,674	-	-	<b>169,476,674</b>
Stock options issued for the acquisition of Alpha	2 & 10(d)	-	-	8,972,659	-	<b>8,972,659</b>
Warrants issued for the acquisition of Alpha	2	-	-	5,098,376	-	<b>5,098,376</b>
Flow-through common shares issued for cash	10(b)	8,581,700	12,872,550	-	-	<b>12,872,550</b>
Flow-through share premium	10(b)	-	(3,947,582)	-	-	<b>(3,947,582)</b>
Common shares issued for cash	10(b)	17,968,750	28,750,000	-	-	<b>28,750,000</b>
Share issuance costs	10(b)	-	(3,788,079)	1,055,324	-	<b>(2,732,755)</b>
Deferred income tax impact on share issuance costs		-	710,516	-	-	<b>710,516</b>
Transfer of net assets to Fission 3.0 Corp. pursuant to plan of arrangement	2	-	-	-	(17,454,000)	<b>(17,454,000)</b>
Exercise of stock options/warrants		15,980,769	13,733,940	(8,794,925)	-	<b>4,939,015</b>
Share-based compensation	10(d)	-	-	10,172,062	-	<b>10,172,062</b>
Net loss and comprehensive loss		-	-	-	(4,750,560)	<b>(4,750,560)</b>
<b>Balance, June 30, 2014</b>		<b>352,309,460</b>	<b>297,123,549</b>	<b>16,990,702</b>	<b>(77,399,754)</b>	<b>236,714,497</b>
Flow-through common shares issued for cash	10(b)	22,942,500	34,413,750	-	-	<b>34,413,750</b>
Flow-through share premium	10(b)	-	(8,723,325)	-	-	<b>(8,723,325)</b>
Share issuance costs	10(b)	-	(2,257,808)	-	-	<b>(2,257,808)</b>
Deferred income tax impact on share issuance costs		-	587,030	-	-	<b>587,030</b>
Exercise of stock options/warrants		10,986,161	12,185,063	(5,490,273)	-	<b>6,694,790</b>
Share-based compensation	10(d)	-	-	7,310,262	-	<b>7,310,262</b>
Net loss and comprehensive loss		-	-	-	(9,874,580)	<b>(9,874,580)</b>
<b>Balance, June 30, 2015</b>		<b>386,238,121</b>	<b>333,328,259</b>	<b>18,810,691</b>	<b>(87,274,334)</b>	<b>264,864,616</b>

# Fission Uranium Corp.

Consolidated statements of cash flows  
(Expressed in Canadian dollars)

	Year Ended June 30 2015 \$	Year Ended June 30 2014 \$
<b>Operating activities</b>		
Net loss and comprehensive loss	(9,874,580)	(4,750,560)
Items not involving cash:		
Depreciation	87,884	86,430
Share-based compensation	6,127,880	9,666,837
Flow-through premium recovery	(4,321,125)	(3,947,582)
(Gain)/loss on investments	12,750	(164,267)
Exploration and evaluation write-down	-	143,882
Gain on de-consolidation of subsidiary	-	(99,579)
Gain on spin-off transaction	-	(8,963,501)
Share of equity loss from Fission 3.0 Corp.	39,465	-
Deferred income tax expense	1,501,864	662,312
	(6,425,862)	(7,366,028)
Changes in non-cash working capital items:		
Decrease in amounts receivable	192,347	1,983,584
Increase in prepaid expenses	(52,047)	(81,140)
Decrease in accounts payable and accrued liabilities	(145,634)	(599,156)
Cash flow used in operating activities	(6,431,196)	(6,062,740)
<b>Investing activities</b>		
Property and equipment additions	(32,450)	(98,423)
Exploration and evaluation asset additions	(33,441,914)	(32,597,497)
Exploration and evaluation asset cost recoveries	-	3,430,591
Purchase of investment in Fission 3.0 Corp.	(3,080,000)	-
Increase in short-term investments	-	(15,000)
Cash acquired on acquisition of Alpha Minerals Inc.	-	8,435,812
Cash flow used in investing activities	(36,554,364)	(20,844,517)
<b>Financing activities</b>		
Proceeds from the issuance of flow-through common shares net of share issuance costs	32,155,942	38,889,795
Proceeds from exercise of stock options/warrants	6,694,790	4,939,015
Cash paid to Fission 3.0 pursuant to the Fission Uranium Arrangement	-	(3,081,523)
Cash flow provided by financing activities	38,850,732	40,747,287
(Decrease)/increase in cash and cash equivalents during the year	(4,134,828)	13,840,030
Cash and cash equivalents, beginning of year	28,908,384	15,068,354
<b>Cash and cash equivalents, end of year</b>	<b>24,773,556</b>	<b>28,908,384</b>

Supplemental disclosure with respect to cash flows (Note 11)



# **Fission Uranium Corp.**

Notes to the consolidated financial statements

For the year ended June 30, 2015

(Expressed in Canadian dollars)

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## **1. Nature of operations**

Fission Uranium Corp. (the "Company" or "Fission Uranium") was incorporated on February 13, 2013 under the laws of the Canada Business Corporations Act in connection with a court approved plan of arrangement to reorganize Fission Energy Corp. ("Fission Energy") which was completed on April 26, 2013 (the "Fission Energy Arrangement"). The Company's principal business activity is the acquisition and development of exploration and evaluation assets. To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage. The Company's head office is located at 700 – 1620 Dickson Ave., Kelowna, BC, V1Y 9Y2 and it is listed on the Toronto Stock Exchange under the symbol FCU, on the U.S. OTCQX under the symbol FCUUF, and on the Frankfurt Stock Exchange under the symbol 2FU.

The Company has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for the exploration and evaluation assets, including the acquisition costs, is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, and upon future profitable production.

## **2. Alpha Minerals and Fission Uranium Arrangement Agreement**

On December 6, 2013 the Company completed an Arrangement Agreement and acquired all of the issued and outstanding shares of Alpha Minerals Inc. ("Alpha") and its interest in the Patterson Lake South ("PLS") Joint Venture (the "Alpha Arrangement"). Under the terms of the Alpha Arrangement, Fission Uranium offered shareholders of Alpha 5.725 shares of Fission Uranium and a cash payment of \$0.0001 for each Alpha share held. Based on 27,927,276 Alpha shares outstanding, the Company issued 159,883,655 of their common shares to complete the transaction, representing approximately 51.11% of the Company's issued and outstanding common shares on December 6, 2013. The 2,142,100 outstanding Alpha options were replaced by options to purchase 12,263,523 common shares of the Company with exercise prices ranging from \$0.1146 to \$0.6387 and expiring between February 17, 2014 and April 12, 2018. The 1,301,600 outstanding Alpha warrants were replaced by warrants to purchase 7,451,657 common shares of the Company with exercise prices ranging from \$0.1496 to \$0.8133 and expiring between February 17, 2014 and April 25, 2015.

Additionally, Alpha shareholders received all of the common shares of Alpha Exploration Inc. ("Alpha Exploration") which was spun-out from Alpha and holds all of Alpha's exploration and evaluation assets (other than Alpha's interest in the PLS Joint Venture), marketable securities, and property and equipment located in Alpha's office in Vancouver, BC.

Similarly, the shareholders of Fission Uranium received all of the common shares of Fission 3.0 Corp. ("Fission 3.0") which was spun-out from Fission Uranium and holds all of Fission Uranium's exploration and evaluation assets (other than Fission Uranium's interest in the PLS Joint Venture), short-term investments, and property and equipment located in Peru (the "Fission Uranium Arrangement").

Under the terms of the Alpha Arrangement and Fission Uranium Arrangement, each of Alpha Exploration and Fission 3.0 received \$3 million in cash to fund future operations. The transaction took place by way of a court approved plan of arrangement.

Alpha is in the early stage of exploration and does not yet have any processes or outputs, therefore Alpha is not considered a business under *IFRS 3 Business Combinations*. As a result the acquisition was accounted for as a purchase of assets. The purchase price has been allocated to the various assets and liabilities acquired through the Alpha Arrangement, including various working capital amounts and exploration and evaluation assets.

## Fission Uranium Corp.

Notes to the consolidated financial statements

For the year ended June 30, 2015

(Expressed in Canadian dollars)

### 2. Alpha Minerals and Fission Uranium Arrangement Agreement (continued)

The total purchase price of the acquisition and the net identifiable assets of Alpha acquired are described below:

<b>Purchase price</b>	<b>\$</b>
27,927,276 common shares of Alpha	
by issue of 159,883,655 Fission Uranium shares @ \$1.06	169,476,674
2,142,100 Alpha options replaced by options	
to purchase 12,263,523 Fission Uranium shares	7,793,252
1,301,600 Alpha warrants replaced by warrants	
to purchase 7,451,657 Fission Uranium shares	5,098,376
Transaction costs	2,199,836
<b>Total purchase price</b>	<b>184,568,138</b>
<b>Assets acquired</b>	
Net working capital	8,136,076
Exploration and evaluation assets	176,432,062
<b>Net identifiable assets of Alpha</b>	<b>184,568,138</b>

The fair value of the stock options and warrants of Alpha was estimated as of December 6, 2013 using the Black-Scholes option-pricing model with the following weighted average assumptions:

	<b>Stock Options</b>	<b>Warrants</b>
Risk Free Interest Rate	1.09%	1.09%
Expected Life - Years	0.79	1.01
Annualised Volatility	65.32%	88.40%
Dividend Rate	0%	0%
Weighted average fair value per option/warrant	\$0.73	\$0.68

Option pricing models require the input of highly subjective assumptions including the estimate of the share price volatility. Changes in the subjective input assumptions can materially affect the fair value of the Company's stock options and warrants.

The carrying value of the net assets transferred to Fission 3.0, pursuant to the Fission Uranium Arrangement, consisted of the following:

	<b>\$</b>
<b>Assets</b>	
Cash	3,081,523
Short-term investments	766,066
Amounts receivable	102,518
Property and equipment	15,619
Exploration and evaluation assets	6,186,147
<b>Total Assets</b>	<b>10,151,873</b>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	(45,433)
Deferred tax liability	(1,615,941)
<b>Total Liabilities</b>	<b>(1,661,374)</b>
<b>Carrying Value</b>	<b>8,490,499</b>
<b>Fair value of assets distributed to Fission Uranium shareholders</b>	<b>(17,454,000)</b>
<b>Gain on Fission 3.0 spin-out</b>	<b>(8,963,501)</b>

## **Fission Uranium Corp.**

Notes to the consolidated financial statements  
For the year ended June 30, 2015  
(Expressed in Canadian dollars)

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### **2. Alpha Minerals and Fission Uranium Arrangement Agreement (continued)**

In accordance with *IFRIC 17, Distributions of Non-cash Assets to Owners*, the Company recognized the distribution of assets to Fission Uranium shareholders at fair value with the difference between that value and the carrying amount of the assets recognized in the statement of loss and comprehensive loss.

Fission 3.0 was a wholly owned subsidiary of Fission Uranium up to December 5, 2013. The Company recognized a \$99,579 gain on the de-consolidation of Fission 3.0 on December 5, 2013.

### **3. Significant accounting policies**

#### *(a) Statement of compliance*

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") as at June 30, 2015. The consolidated financial statements were authorized for issue by the Board of Directors on September 3, 2015.

#### *(b) Basis of presentation*

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value.

#### *(c) Basis of consolidation*

The Company consolidates subsidiaries when it is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries.

Subsequent to the Alpha Arrangement, Alpha was amalgamated with the Company. At June 30, 2015 the Company held no subsidiaries.

#### *(d) Financial assets*

All financial assets are initially recorded at fair value and categorized into the following two categories for subsequent measurement purposes: amortized cost and fair value.

A financial asset is classified at 'amortized cost' only if both of the following criteria are met: a) the objective of the Company's business model is to hold the asset to collect the contractual cash flows; and b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The Company has classified its cash and cash equivalents and amounts receivable at amortized cost for subsequent measurement purposes. All short-term investments are measured at fair value through profit or loss ("FVTPL").

## **Fission Uranium Corp.**

Notes to the consolidated financial statements

For the year ended June 30, 2015

(Expressed in Canadian dollars)

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### **3. Significant accounting policies (continued)**

*(e) Cash and cash equivalents*

Cash and cash equivalents consist of deposits in banks and redeemable term deposits that are readily convertible to cash. The Company's cash and cash equivalents are invested with major financial institutions and are not invested in any asset backed deposits/investments.

*(f) Short-term investments*

Marketable securities are recorded at their fair market value on the date of acquisition and are classified as FVTPL. The carrying value of the securities are adjusted at each subsequent reporting period to the fair value (based upon the market price and the Bank of Canada quoted exchange rate if applicable) with the resulting unrealized gains or losses included in profit or loss for the period. Transaction costs relating to the purchase of marketable securities are expensed directly to profit or loss.

*(g) Investments in associates*

Entities over which the Company has significant influence but not control are associates. The Company accounts for its investments in associates by using the equity method with the investment initially recorded at cost. Subsequent to the acquisition date, the Company records its shares of the associates' profit or loss in net income or loss and its share of other comprehensive income/(loss) in other comprehensive income/(loss).

Transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Changes in the Company's interest in its associates resulting in dilution gains or losses are recorded in net income or loss.

The Company determines whether any objective evidence of impairment exists at each reporting date. If impaired, the carrying value of the investment is written down to its recoverable amount.

*(h) Foreign currency translation*

The consolidated financial statements are presented in Canadian dollars. The financial statements for each of the Company's former subsidiaries were measured using the currency of the primary economic environment in which the subsidiary operated (the "functional currency"). Each entity in the Company determined its own functional currency and items included in the financial statements of each entity were measured using that functional currency. The functional currency determinations were conducted through an analysis of the consideration factors identified in *IAS 21, The Effects of Changes in Foreign Exchange Rates*.

The functional currency of the Company is the Canadian Dollar.

## **Fission Uranium Corp.**

Notes to the consolidated financial statements

For the year ended June 30, 2015

(Expressed in Canadian dollars)

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### **3. Significant accounting policies (continued)**

#### *(h) Foreign currency translation (continued)*

##### *Transactions and balances*

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange rates prevailing at the reporting date are recognized in profit or loss.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

##### *Foreign operations*

The assets and liabilities of former foreign operations were translated into Canadian dollars at the rate of exchange prevailing at the reporting date and income and expenses were translated at exchange rates prevailing at the dates of transactions. The exchange differences arising on the translation were recognized in other comprehensive loss. On disposal of a foreign operation, the component of other comprehensive loss relating to that particular foreign operation is recognized in profit or loss.

#### *(i) Property and equipment*

Property and equipment is stated at cost, less accumulated depreciation. Depreciation is calculated on a straight line basis at the following annual rates based on estimated useful lives:

• Geological equipment	20%
• Vehicles	30%
• Office equipment	20%
• Computer hardware	30%
• Computer software	50%

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

When an item of property and equipment comprises major components with different useful lives, the components are accounted for as separate items of property and equipment.

## **Fission Uranium Corp.**

Notes to the consolidated financial statements

For the year ended June 30, 2015

(Expressed in Canadian dollars)

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### **3. Significant accounting policies (continued)**

#### *(j) Exploration and evaluation assets*

The Company records exploration and evaluation assets which consists of the costs of acquiring licenses for the right to explore and costs associated with exploration and evaluation activity, at cost. All direct and indirect costs related to the acquisition, exploration and development of exploration and evaluation assets are capitalized by property.

The exploration and evaluation assets are capitalized until the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable. Exploration and evaluation assets are then assessed for impairment and reclassified to mining property and development assets within property and equipment. If an exploration and evaluation property interest is abandoned, both the acquisition costs and the exploration and evaluation cost will be written off to operations in the period of abandonment.

On an ongoing basis, exploration and evaluation assets are reviewed on a property-by-property basis to consider if there are any indicators of impairment, including the following:

- (i) Whether the exploration on the property has significantly changed, such that previously identified resource targets are no longer being pursued;
- (ii) Whether exploration results to date are promising and whether additional exploration work is being planned in the foreseeable future; and
- (iii) Whether remaining claim tenure terms are sufficient to conduct necessary studies or exploration work.

If any indication of impairment exists, an estimate of the exploration and evaluation asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs to sell for the exploration and evaluation property interest and their value in use. The fair value less costs to sell and the value in use is determined for an individual exploration and evaluation property interest, unless the exploration and evaluation property interest does not generate cash inflows that are largely independent of other exploration and evaluation property interests. If this is the case, the exploration and evaluation property interests are grouped together into cash generating units ("CGUs") for impairment purposes. 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.

Where an impairment subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate and 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 periods. A reversal of an impairment loss is recognized in the period in which that determination was made in profit or loss.

## **Fission Uranium Corp.**

Notes to the consolidated financial statements

For the year ended June 30, 2015

(Expressed in Canadian dollars)

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### **3. Significant accounting policies (continued)**

#### *(k) Financial liabilities*

All financial liabilities are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are measured at amortized cost.

#### *(l) Flow-through shares*

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors under Canadian income tax legislation. On issuance, the Company separates the flow-through share into i) a flow-through share premium, equal to the difference between the current market price of the Company's common shares and the issue price of the flow through share and ii) share capital. Upon expenses being incurred, the Company recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares must be expended on Canadian resource property exploration within a period of two years. Failure to expend such funds after the end of the first year as required under the Canadian income tax legislation will result in a Part XII.6 tax to the Company on flow-through proceeds renounced under the "Look-back" Rule. When applicable, this tax is accrued as flow-through share tax expense until paid.

#### *(m) Share-based payments*

The Company has a stock option plan whereby it is authorized to grant stock options to directors, officers, employees and consultants. Directors, officers, employees and consultants are classified as employees who render personal services to the entity and either i) are regarded as employees for legal or tax purposes, ii) work for an entity under its direction in the same way as directors, officers, employees and consultants who are regarded as employees for legal or tax purposes, or iii) the services rendered are similar to those rendered by employees.



## **Fission Uranium Corp.**

Notes to the consolidated financial statements

For the year ended June 30, 2015

(Expressed in Canadian dollars)

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### **3. Significant accounting policies (continued)**

#### *(m) Share-based payments (continued)*

The fair value of stock options issued to employees is measured on the grant date, using the Black-Scholes option pricing model with assumptions for risk-free interest rates, dividend yields, volatility of the expected market price of the Company's common shares and an expected life of the options. The fair value less estimated forfeitures is charged over the vesting period of the related options to profit or loss unless it meets the criteria for capitalisation to the exploration and evaluation assets with a corresponding credit to other capital reserves in equity. Stock options granted with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values.

The share-based awards issued to non-employees are generally measured on the fair value of goods or services received unless that fair value cannot be reliably measured. This fair value shall be measured at the date the entity obtains the goods or the counterparty renders service. If the fair value of goods or services received cannot be reliably measured, the fair value of the share-based payments to non-employees are periodically re-measured using the Black-Scholes option pricing model until the counterparty performance is complete.

When the stock options are exercised, the proceeds are credited to share capital and the fair value of the options exercised is reclassified from other capital reserves to share capital. The estimated forfeitures are based on historical experience and reviewed on a quarterly basis to determine the appropriate forfeiture rate based on past, present and expected forfeitures. Management uses the dynamic model to calculate the estimated forfeitures.

#### *(n) Income taxes*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of each reporting period, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they are realized or settled, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future tax 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.

## Fission Uranium Corp.

Notes to the consolidated financial statements  
For the year ended June 30, 2015  
(Expressed in Canadian dollars)

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### 3. Significant accounting policies (continued)

(o) *Loss per share*

The Company presents basic and diluted loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the gain or loss attributable to common shareholders when the effect is anti-dilutive.

(p) *Related party transactions*

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant control over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources, services or obligations between related parties.

(q) *IFRS standards adopted*

The Company has adopted the following new accounting policies and IFRS standards noted below:

*IFRS 9, Financial Instruments*

On July 24, 2014 the IASB issued *IFRS 9, Financial Instruments*, which will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristic of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. For financial liabilities, the standard retains most of the IAS 39 requirements.

Adoption of IFRS 9 is mandatory for annual periods beginning on or after January 1, 2018 however the Company has early adopted IFRS 9 effective July 1, 2014, as well as the related consequential amendments to other IFRS. The Company has assessed the financial assets and financial liabilities held by the Company at the date of initial application of IFRS 9. The main effects resulting from this assessment were:

- (i) Short-term investments previously classified as held for trading and measured at fair value through profit and loss continue to be recognized in a consistent manner. The Company has not made any elections to recognize fair value changes on any of its equity instruments through other comprehensive income.
- (ii) All other financial instruments including cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities continue to be recognized at fair value on initial recognition and subsequently measured at amortized cost.

There was no difference between the previous carrying amount (under IAS 39) and the revised carrying amount (under IFRS 9) of the financial assets or financial liabilities as at July 1, 2014 to be recognized in opening deficit.

## **Fission Uranium Corp.**

Notes to the consolidated financial statements

For the year ended June 30, 2015

(Expressed in Canadian dollars)

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### **3. Significant accounting policies (continued)**

#### *(q) IFRS standards adopted (continued)*

##### *IFRS 9, Financial Instruments (continued)*

###### Financial assets

All financial assets are initially recorded at fair value and categorized into the following two categories for subsequent measurement purposes: amortized cost and fair value.

A financial asset is classified at 'amortized cost' only if both of the following criteria are met: a) the objective of the Company's business model is to hold the asset to collect the contractual cash flows; and b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The Company has classified its cash and cash equivalents and amounts receivable at amortized cost for subsequent measurement purposes. All short-term investments are measured at fair value through profit or loss.

###### Financial liabilities

All financial liabilities are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are measured at amortized cost.

#### *(r) New Standards, Amendments and Interpretations Not Yet Effective*

The IASB issued a number of new and revised International Accounting Standards, IFRS amendments and related interpretations which are effective for the Company's financial year beginning on or after July 1, 2015.

No new or revised standards or amendments are expected to have a significant impact to the Company's financial statements.

## Fission Uranium Corp.

Notes to the consolidated financial statements

For the year ended June 30, 2015

(Expressed in Canadian dollars)

### 4. Key estimates and judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### *Exploration and evaluation assets*

The application of the Company's accounting policy for exploration and evaluation assets requires judgement in the following areas:

- (i) Determination of whether any impairment indicators exist at each reporting date giving consideration to factors such as budgeted expenditures on the PLS property, assessment of the right to explore in the specific area and evaluation of any data which would indicate that the carrying amount of exploration and evaluation assets is not recoverable; and
- (ii) Assessing when the commercial viability and technical feasibility of the project has been determined, at which point the asset is reclassified to property and equipment.

### 5. Amounts receivable

	<b>June 30 2015</b>	June 30 2014
	\$	\$
GST receivable	<b>266,638</b>	396,893
Due from provincial governments	-	72,558
Loans receivable	-	14,967
Other receivables	<b>126,701</b>	173,826
	<b>393,339</b>	658,244

The Company does not have any significant balances that are past due. Amounts receivable are current, and the Company does not have any allowance for doubtful accounts. Due to their short-term maturities, the fair value of amounts receivable approximates their carrying value.

## Fission Uranium Corp.

Notes to the consolidated financial statements

For the year ended June 30, 2015

(Expressed in Canadian dollars)

### 6. Investment in Fission 3.0

On February 23, 2015 the Company completed a private placement with Fission 3.0 pursuant to which the Company purchased 22,000,000 common shares (the "Purchased Shares") of Fission 3.0 at a price of \$0.14 per share for a total cost of \$3,080,000.

The Company has a 12.36% interest in Fission 3.0, a company incorporated in Canada, whose principal business activity is the acquisition, exploration and development of uranium resource properties in Canada and Peru. The Company, through a combination of this shareholding and its common directors and management, exercises significant influence over Fission 3.0 and accounts for the investment using the equity method.

Due to the fact that Fission 3.0's financial statements for the year ended June 30, 2015 are not yet publically available, the Company recognized its proportionate share of Fission 3.0's loss from the date of acquisition to March 31, 2015 in the Company's year ended June 30, 2015.

Details of the investment in Fission 3.0 are as follows:

	\$
Balance July 1, 2014	-
Purchase of 22,000,000 common shares @ \$0.14 <sup>(1)</sup>	3,080,000
Share of Fission 3.0's loss for the period ended March 31, 2015 <sup>(2)</sup>	(38,911)
Reversal of gains from intercompany services	(554)
<b>Balance June 30, 2015</b>	<b>3,040,535</b>

(1) The trading price of Fission 3.0 on June 30, 2015 was \$0.11. The quoted market value of the investment in Fission 3.0 was \$2,420,000.

(2) Since the investment in Fission 3.0 was purchased on February 23, 2015, the share of Fission 3.0's loss is only calculated from the date of acquisition to March 31, 2015.

Fission 3.0's summary financial information is as follows:

	<b>Date of Acquisition to March 31 2015</b>
	\$
<b>Comprehensive loss for the period</b>	<b>(314,811)</b>
	<b>March 31 2015</b>
	\$
Current assets	5,857,401
Property and equipment	15,248
Exploration and evaluation assets	6,027,262
<b>Total Assets</b>	<b>11,899,911</b>
	<b>March 31 2015</b>
	\$
Current liabilities	94,613
Deferred tax liability	1,323,868
<b>Total Liabilities</b>	<b>1,418,481</b>

## Fission Uranium Corp.

Notes to the consolidated financial statements  
For the year ended June 30, 2015  
(Expressed in Canadian dollars)

### 7. Property and equipment

Property and equipment consists of the following:

<b>Cost</b>	<b>Geological Equipment</b>	<b>Vehicles</b>	<b>Office Equipment</b>	<b>Computer Hardware</b>	<b>Computer Software</b>	<b>Building</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$	\$
As at July 1, 2013	159,158	32,492	106,650	75,061	24,478	20,190	418,029
Additions	27,015	-	10,219	61,189	-	-	98,423
Disposals	(4,447)	-	(15,683)	(6,577)	-	(20,190)	(46,897)
As at June 30, 2014	181,726	32,492	101,186	129,673	24,478	-	469,555
Additions	11,472	-	-	20,978	-	-	32,450
<b>As at June 30, 2015</b>	<b>193,198</b>	<b>32,492</b>	<b>101,186</b>	<b>150,651</b>	<b>24,478</b>	<b>-</b>	<b>502,005</b>

#### Accumulated Depreciation

As at July 1, 2013	50,145	19,254	43,027	35,211	19,848	4,236	171,721
Depreciation	28,376	9,756	19,118	24,215	4,630	335	86,430
Disposals	(4,447)	-	(15,683)	(6,577)	-	(4,571)	(31,278)
As at June 30, 2014	74,074	29,010	46,462	52,849	24,478	-	226,873
Depreciation	30,934	2,807	18,662	35,481	-	-	87,884
<b>As at June 30, 2015</b>	<b>105,008</b>	<b>31,817</b>	<b>65,124</b>	<b>88,330</b>	<b>24,478</b>	<b>-</b>	<b>314,757</b>

#### Net Book Value

As at June 30, 2014	107,652	3,482	54,724	76,824	-	-	242,682
<b>As at June 30, 2015</b>	<b>88,190</b>	<b>675</b>	<b>36,062</b>	<b>62,321</b>	<b>-</b>	<b>-</b>	<b>187,248</b>

## **Fission Uranium Corp.**

Notes to the consolidated financial statements  
For the year ended June 30, 2015  
(Expressed in Canadian dollars)

### **8. Exploration and evaluation assets**

**Year ended  
June 30, 2015**

<b>Patterson Lake South Property</b>	<b>Total</b>
	<b>\$</b>
<b>Acquisition costs</b>	
Balance, beginning and end of year	<b>176,501,858</b>
<b>Exploration costs</b>	
Balance, beginning of year	<b>33,518,601</b>
Incurring during the year	
Geology mapping/sampling	<b>703,920</b>
Geophysics airborne	<b>25,929</b>
Geophysics ground	<b>1,383,057</b>
Drilling	<b>29,686,455</b>
Land retention and permitting	<b>47,014</b>
Reporting	<b>55,397</b>
Environmental	<b>109,297</b>
Safety	<b>226,348</b>
Community relations	<b>731</b>
General	<b>20,500</b>
Share-based compensation	<b>1,182,382</b>
Additions	<b>33,441,030</b>
Balance, end of year	<b>66,959,631</b>
<b>Total</b>	<b>243,461,489</b>



## Fission Uranium Corp.

Notes to the consolidated financial statements  
For the year ended June 30, 2015  
(Expressed in Canadian dollars)

### 8. Exploration and evaluation assets (continued)

Year Ended  
June 30, 2014

	North Shore Property	Beaver River Property	Clearwater West Property	Manitou Falls Property	Patterson Lake North Property	Patterson Lake South Property	Thompson Lake Property	Peru Properties	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Acquisition costs</b>									
Balance, beginning of year	-	11,154	9,517	3,410	-	69,796	1,742	-	95,619
Acquired through Alpha Arrangement	-	-	-	-	-	176,432,062	-	-	176,432,062
Transfer to Fission 3.0 pursuant to Fission Uranium Arrangement	(-)	(11,154)	(9,517)	(3,410)	(-)	-	(1,742)	(-)	(25,823)
Balance, end of year	-	-	-	-	-	176,501,858	-	-	176,501,858
<b>Exploration costs</b>									
Balance, beginning of year	3,464	500	15,012	881	4,458,945	5,466,820	597	-	9,946,219
Incurring during the year									
Geology mapping/sampling	53,047	-	9,126	-	33,475	668,473	-	6,771	770,892
Geophysics airborne	830,386	206,561	294,563	67,889	114,633	70,491	34,600	-	1,619,123
Geophysics ground	6,374	630	9,493	630	43,592	838,270	630	3,457	903,076
Drilling	27,774	-	-	-	192,207	28,340,434	-	16,537	28,576,952
Land retention and permitting	24,517	75	213	75	9,739	84,944	75	8,317	127,955
Reporting	216	37	38	38	3,666	43,045	38	-	47,078
Environmental	38	-	-	-	-	190,421	-	9,635	200,094
Safety	-	-	-	-	-	231,199	-	-	231,199
Community relations	2,663	-	-	-	-	729	-	13,986	17,378
General	-	-	-	-	40,124	410,425	-	56,865	507,414
Share-based compensation	22,522	-	30,000	-	58,677	1,545,119	-	28,314	1,684,632
Additions	967,537	207,303	343,433	68,632	496,113	32,423,550	35,343	143,882	34,685,793
Cost recoveries	-	-	-	-	(437,436)	(4,371,769)	-	-	(4,809,205)
Write-down	-	-	-	-	-	-	-	(143,882)	(143,882)
Transfer to Fission 3.0 pursuant to Fission Uranium Arrangement	(971,001)	(207,803)	(358,445)	(69,513)	(4,517,622)	-	(35,940)	(-)	(6,160,324)
Balance, end of year	-	-	-	-	-	33,518,601	-	-	33,518,601
<b>Total</b>	-	-	-	-	-	210,020,459	-	-	210,020,459

## Fission Uranium Corp.

Notes to the consolidated financial statements

For the year ended June 30, 2015

(Expressed in Canadian dollars)

### 8. Exploration and evaluation assets (continued)

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of title and/or ownership of claims. The Company has investigated title to all of its exploration and evaluation assets, and to the best of its knowledge, title to its property is in good standing.

#### *Patterson Lake South, Canada*

The Company acquired an interest in various claims in Saskatchewan as part of the Fission Energy Arrangement (note 1). As a result of the completion of the Alpha Arrangement (note 2), through which the Company acquired all of the issued and outstanding shares of Alpha, Fission Uranium has a 100% interest in the Patterson Lake South property. Prior to the completion of the Alpha Arrangement, the Company recorded cost recoveries from Alpha for their 50% interest in the PLS Joint Venture. The Company was also entitled to a management fee equal to 10% of expenditures for operator services.

### 9. Accounts payable and accrued liabilities

	<b>June 30</b>	June 30
	<b>2015</b>	2014
Maturity dates < 6 months	\$	\$
Trade payables	<b>1,562,041</b>	2,686,827
Accrued liabilities	<b>349,328</b>	626,000
	<b>1,911,369</b>	3,312,827

### 10. Share capital and other capital reserves

The Company is authorized to issue an unlimited number of common shares, without par value.

#### *(a) Alpha Arrangement*

The Company completed the acquisition of all of the outstanding shares of Alpha on December 6, 2013. As part of the consideration the Company issued 159,883,655 common shares with a fair value of \$169,476,674 (note 2).

## **Fission Uranium Corp.**

Notes to the consolidated financial statements  
For the year ended June 30, 2015  
(Expressed in Canadian dollars)

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### **10. Share capital and other capital reserves (continued)**

#### *(b) Private Placements*

##### *December 9, 2013*

The Company completed a private placement of 8,581,700 flow-through common shares at \$1.50 per share for aggregate gross proceeds of \$12,872,550. The Company paid agents' commissions of \$723,148 plus \$217,695 of expenses and issued 482,099 broker warrants with an attributed fair value of \$230,700 based on the Black-Scholes pricing model, which was included in other capital reserves. Each broker warrant is exercisable into one common share of the Company for a period of 2 years at a price of \$1.50 per share with an expiry date of December 9, 2015. The assumptions used in the Black-Scholes pricing model include a volatility of 104.55%, risk free interest rate of 1.08%, expected life of 2 years and a dividend rate of 0%. All warrants vested immediately on the date of the grant. A flow-through share premium liability of \$3,947,582 was recognized and was reported as a reduction to share capital. The flow-through share premium liability was taken into other income when the renunciation documents were filed.

##### *April 1, 2014*

The Company completed a private placement of 17,968,750 special warrants ("Special Warrants"), at a price of \$1.60 per Special Warrant, for gross proceeds of \$28,750,000. The Company paid agents' commissions of \$1,437,500 plus \$354,412 of expenses and issued 898,439 broker warrants with an attributed fair value of \$824,624 based on the Black-Scholes pricing model, which was included in other capital reserves. Each broker warrant is exercisable into one common share of the Company for a period of 2 years at a price of \$1.60 per share with an expiry date of April 1, 2016. The assumptions used in the Black Scholes pricing model include a volatility of 104.39%, risk free interest rate of 1.07%, expected life of 2 years and a dividend rate of 0%. All warrants vested immediately on the date of the grant. On April 25, 2014 the Company received approval for the final short form prospectus. On April 28, 2014 the 17,968,750 Special Warrants were automatically exercised into 17,968,750 common shares of the Company.

##### *September 23, 2014*

The Company completed a private placement of 9,602,500 flow-through common shares at a price of \$1.50 per share, for gross proceeds of \$14,403,750. The Company paid agents' commissions of \$714,109 plus \$203,765 of expenses. A flow-through share premium liability of \$4,321,125 was recognized and was reported as a reduction to share capital. The flow-through share premium liability was taken into other income when the renunciation documents were filed.

##### *April 29, 2015*

The Company completed a private placement of 13,340,000 flow-through common shares at a price of \$1.50 per share, for gross proceeds of \$20,010,000. The Company paid agents' commissions of \$990,435 plus \$349,499 of expenses. A flow-through share premium liability of \$4,402,200 was recognized and was reported as a reduction to share capital. The flow-through share premium liability will be taken into other income when the renunciation documents are filed.

# Fission Uranium Corp.

Notes to the consolidated financial statements

For the year ended June 30, 2015

(Expressed in Canadian dollars)

## 10. Share capital and other capital reserves (continued)

### (c) Stock options and warrants

The Company has a stock option plan which allows the Board of Directors to grant stock options to employees, directors, officers, and consultants. The exercise price of each option is based on the market price of the Company's common stock at the date of grant. The options can be granted for a maximum term of five years and vesting terms are determined by the Board of Directors at the date of grant.

Stock options and share purchase warrants transactions are summarized as follows:

	Stock options		Warrants	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
		\$		\$
Balance July 1, 2013	14,608,011	0.6181	4,027,763	0.3542
Granted	17,320,000	1.3804	1,380,538	1.5651
Issued through Alpha Arrangement	12,263,523	0.3611	7,451,657	0.6013
Exercised <sup>(1)</sup>	(11,607,360)	0.3276	(4,373,409)	0.2388
Expired	(433,841)	0.9310	(34,350)	0.1496
Forfeited	(487,500)	0.6820	-	-
Outstanding, June 30, 2014	31,662,833	1.0155	8,452,199	0.8120
Granted	8,000,000	1.0000	-	-
Exercised <sup>(1)</sup>	(3,914,500)	0.5089	(7,071,661)	0.6650
Expired	(1,042,500)	1.3997	-	-
Forfeited	(1,127,500)	1.3906	-	-
<b>Outstanding, June 30, 2015</b>	<b>33,578,333</b>	<b>1.0464</b>	<b>1,380,538</b>	<b>1.5651</b>

(1) The weighted average share price of the stock options exercised during the year ended June 30, 2015 was \$0.9950 (June 30, 2014 - \$1.2726). The weighted average share price of the warrants exercised during the year ended June 30, 2015 was \$1.1874 (June 30, 2014 - \$1.2473).

## Fission Uranium Corp.

Notes to the consolidated financial statements

For the year ended June 30, 2015

(Expressed in Canadian dollars)

### 10. Share capital and other capital reserves (continued)

#### (c) Stock options and warrants (continued)

As at June 30, 2015, incentive stock options and share purchase warrants were outstanding as follows:

<b>Stock options</b>			
Number outstanding	Exercise price	Number of vested options	Expiry date
	\$		
836,667	0.2505 <sup>(1)</sup>	836,667	December 31, 2017
950,000	0.3862 <sup>(1)</sup>	950,000	December 30, 2015
536,666	0.3862 <sup>(1)</sup>	536,666	January 12, 2017
8,215,000	0.6820 <sup>(1)</sup>	8,215,000	June 1, 2016
8,000,000	1.0000	4,000,000	December 15, 2019
1,000,000	1.1000	750,000	December 15, 2015
7,270,000	1.2000	5,452,500	January 21, 2019
400,000	1.2920 <sup>(1)</sup>	400,000	August 15, 2016
300,000	1.3100	225,000	February 25, 2019
6,070,000	1.6500	3,035,000	April 4, 2019
<b>33,578,333</b>		<b>24,400,833</b>	

(1) Fission Uranium option exercise prices were reduced by \$0.048 pursuant to the Fission Uranium Arrangement.

<b>Warrants</b>			
Number outstanding	Exercise price	Number of vested warrants	Expiry date
	\$		
482,099	1.5000	482,099	December 9, 2015
898,439	1.6000	898,439	April 1, 2016
<b>1,380,538</b>		<b>1,380,538</b>	

#### (d) Share-based compensation

During the year ended June 30, 2015, the Company granted 8,000,000 options (June 30, 2014 - 17,320,000). Pursuant to the vesting of options previously granted, during the year ended June 30, 2015 share-based compensation of \$6,127,880 (June 30, 2014 - \$8,487,430) was recognized in the statements of loss and comprehensive loss and \$1,182,382 (June 30, 2014 - \$1,684,632) was recognized in exploration and evaluation assets. The total amount was also recorded as other capital reserves in the statements of changes in equity. All options are recorded at fair value using the Black-Scholes option pricing model.

# Fission Uranium Corp.

Notes to the consolidated financial statements  
For the year ended June 30, 2015  
(Expressed in Canadian dollars)

## 10. Share capital and other capital reserves (continued)

### (d) Share-based compensation (continued)

During the year ended June 30, 2014, the Company issued 12,263,523 options to former option holders of Alpha as part of the Alpha Arrangement. The options had a fair value of \$8,972,659 of which \$7,793,252 formed a part of the acquisition consideration (note 2) and \$1,179,407 was recognized in the statements of loss and comprehensive loss representing the excess in fair value of the replacement options which were fully vested on the date of grant. The total amount was also recorded as other capital reserves.

The following assumptions were used for the valuation of share-based compensation for options granted during the year:

	June 30 2015	June 30 2014
Risk Free Interest Rate	1.04%	1.23%
Expected Life - Years	2.92	2.80
Estimated Forfeiture Rate	3.45%	8.23%
Annualised Volatility	59.03%	99.88%
Dividend Rate	N/A	N/A
Weighted average fair value per option	\$0.26	\$0.84

## 11. Supplemental disclosure with respect to cash flows

	June 30 2015	June 30 2014
	\$	\$
Cash and cash equivalents		
Cash	613,556	4,128,384
Redeemable Term Deposits	24,160,000	24,780,000
	24,773,556	28,908,384

There were no cash payments for interest and income taxes during the year ended June 30, 2015, and June 30, 2014. During the year ended June 30, 2015 the Company received \$272,580 (June 30, 2014 - \$208,620) in interest income.

Significant non-cash transactions for the year ended June 30, 2015 included:

- Incurring \$1,556,906 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;
- Recognizing \$1,182,382 of share-based payments in exploration and evaluation assets;
- Reclassifying \$5,490,273 from other capital reserves to share capital on the exercise of stock options and warrants;
- Reclassifying \$8,723,325 from share capital to flow-through share premium liability for the flow-through share premium liability recognized, 4,321,125 of which was taken into other income when the renunciation documents were filed; and
- Reclassifying \$587,030 from share issuance costs to deferred tax liability to record the impact of deferred taxes on share issuance costs.

# Fission Uranium Corp.

Notes to the consolidated financial statements

For the year ended June 30, 2015

(Expressed in Canadian dollars)

## 11. Supplemental disclosure with respect to cash flows (continued)

Significant non-cash transactions for the year ended June 30, 2014 included:

- (a) Incurring \$2,812,730 of exploration and evaluation related expenditures through accounts payable and accrued liabilities;
- (a) Recognizing \$1,684,632 of share-based payments in exploration and evaluation assets;
- (b) Reclassifying \$8,794,925 from other capital reserves to share capital on the exercise of stock options and warrants;
- (c) Reclassifying \$3,947,582 from share capital to flow-through share premium liability for the flow-through premium liability recognized, which was taken into other income when the renunciation documents were filed;
- (d) Reclassifying \$1,055,324 from share capital to other capital reserves for warrants issued as finder's fees; and
- (e) Reclassifying \$710,516 from share issuance costs to deferred tax liability to record the impact of deferred taxes on share issuance costs.

## 12. Related party transactions

The Company has identified the CEO, President and COO, CFO, VP Exploration, and the Company's directors as its key management personnel. The compensation costs for key management personnel are as follows:

	<b>Year Ended</b>	
	<b>June 30</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Compensation Costs</b>		
Wages and consulting fees paid or accrued to key management personnel and companies controlled by key management personnel	<b>2,365,567</b>	2,670,255
Share-based compensation for vesting of options granted to key management personnel	<b>3,995,752</b>	5,525,087
	<b>6,361,319</b>	8,195,342
	<b>Year Ended</b>	
	<b>June 30</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Amounts Received or Receivable</b>		
Exploration and administrative services billed to Fission 3.0 Corp. a company with common directors and management	<b>412,787</b>	176,455



## Fission Uranium Corp.

Notes to the consolidated financial statements

For the year ended June 30, 2015

(Expressed in Canadian dollars)

### 12. Related party transactions (continued)

Included in accounts payable at June 30, 2015 is \$21,797 (June 30, 2014 - \$191,003) for wages payable and consulting fees due to key management personnel and companies controlled by key management personnel.

Included in amounts receivable at June 30, 2015 is \$23,001 (June 30, 2014 - \$7,371) for exploration and administrative services and expense recoveries due from Fission 3.0.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### 13. Income taxes

A reconciliation of current income taxes at statutory rates (June 30, 2015 - 26%, June 30, 2014 - 26%) with the reported taxes is as follows:

	June 30 2015	June 30 2014
	\$	\$
Loss before income taxes	(8,372,716)	(4,088,248)
Expected income tax recovery	(2,176,906)	(1,062,945)
Tax impact of rate change	-	(5,771)
Permanent differences	1,633,384	(626,604)
Net change in benefits of tax attributes previously not recognized	(555,999)	(1,706,923)
Change in estimate	(20,097)	(447,737)
Renunciation of flow-through expenditures	3,744,975	5,538,663
Flow-through premium recovery	(1,123,493)	(1,026,371)
Deferred income tax expense	1,501,864	662,312

The significant components of the Company's deferred income tax assets (liabilities) are as follows:

	June 30 2015	June 30 2014
	\$	\$
Deferred income tax assets (liabilities)		
Equipment	2,558	3,516
Exploration and evaluation assets	(9,626,279)	(6,436,967)
Non-capital losses	7,419,662	5,306,027
Share issuance cost	1,289,225	1,085,860
Other	-	41,564
Net deferred income tax liability	(914,834)	-

The deferred tax liability relating to the exploration and evaluation assets arose as a result of:  
i) the Company renounced certain deductions for Canadian exploration expenditures incurred on the Company's exploration and evaluation assets; and ii) the exploration and evaluation assets were deemed to have a lower tax basis as a result of the tax elections when transferred on completion of the Fission Energy Arrangement.

## **Fission Uranium Corp.**

Notes to the consolidated financial statements

For the year ended June 30, 2015

(Expressed in Canadian dollars)

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### **13. Income taxes (continued)**

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized.

The Company has available approximately \$28,537,162 of recognized non-capital losses which, if unutilized, will expire between 2025 and 2035. The tax benefits of any losses related to the periods prior to the Fission Energy Arrangement have not been recognized as these were not transferred to the Company.

At June 30, 2015 the Company has deductible temporary differences noted below available to offset future taxable income, but for which no deferred tax asset has been recognized. The Company is not recognizing these deferred tax assets because the Company has a history of losses and there is not sufficient evidence that the Company will generate sufficient future taxable income to enable offset.

At June 30, 2015 the Company did not recognize \$1,512,954 (June 30, 2014 - \$1,519,136) of unused investment tax credits which will expire between 2023 and 2033. At June 30, 2015 the Company did not recognize deductible temporary differences in exploration and evaluation assets of \$Nil (June 30, 2014 - \$2,176,124). In addition, at June 30, 2015 the Company did not recognize deferred tax assets on unrealized capital losses in short-term investments of \$12,750 (June 30, 2014 - \$Nil) and in investment in Fission 3.0 Corp. of \$62,578 (June 30, 2014 - \$Nil) because it does not anticipate future capital gains to utilize these assets.

### **14. Capital management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue exploration and development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of common shares, stock options and share purchase warrants.

Changes in the equity accounts of the Company are disclosed in the statements of changes in equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash, cash equivalents, and short-term investments. The issuance of common shares requires approval of the Board of Directors.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets and updates them as necessary depending on various factors, including capital deployment and general industry conditions. The Company anticipates continuing to access equity markets to fund continued exploration and development of its exploration and evaluation assets and the future growth of the business.

# Fission Uranium Corp.

Notes to the consolidated financial statements

For the year ended June 30, 2015

(Expressed in Canadian dollars)

## 15. Financial instruments and risk management

*International Financial Reporting Standards 7, Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash and cash equivalents, short-term investments, amounts receivable and accounts payable and accrued liabilities. For cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities, carrying value is considered to be a reasonable approximation of fair value due to the short-term nature of these instruments. The fair value of short-term investments represents their quoted market price.

Short-term investments are carried at fair value, with the unrealized gain or loss recorded in the statements of loss and comprehensive loss.

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity and foreign exchange risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations warrant such hedging activities.

### (a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will not discharge its obligations, resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk. Company management evaluates credit risk on an ongoing basis including counterparty credit rating and other counterparty concentrations as measured by amount and percentage.

The primary sources of credit risk for the Company arise from:

(i) Cash and cash equivalents; and

(ii) Amounts receivable.

The Company has not had any credit losses in the past, nor does it expect to have any credit losses in the future. At June 30, 2015, the Company has no financial assets that are past due or impaired due to credit risk defaults.

The Company's maximum exposure to credit risk is as follows:

	June 30 2015	June 30 2014
	\$	\$
Cash and cash equivalents	24,773,556	28,908,384
Amounts receivable	393,339	658,244
	25,166,895	29,566,628

## Fission Uranium Corp.

Notes to the consolidated financial statements  
For the year ended June 30, 2015  
(Expressed in Canadian dollars)

### 15. Financial instruments and risk management (continued)

#### (b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and the Company's current cash flow position to meet its obligations. The Company manages its liquidity risk by maintaining sufficient cash and cash equivalents and short-term investment balances to meet its anticipated operational needs.

The Company's accounts payable and accrued liabilities arose as a result of exploration and development of its exploration and evaluation assets and other corporate expenses. Payment terms on these liabilities are typically 30 to 60 days from receipt of invoice and do not generally bear interest.

The following table summarizes the remaining contractual maturities of the Company's financial liabilities.

	Maturity Dates	June 30 2015	June 30 2014
		\$	\$
Accounts payable and accrued liabilities	< 6 months	1,911,369	3,312,827

### 16. Subsequent events

Subsequent to June 30, 2015:

- (a) On July 27, 2015, Fission Uranium entered into a definitive arrangement agreement with Denison Mines Corp. ("Denison"), pursuant to which, Denison will acquire all of the issued and outstanding common shares of Fission Uranium by way of a court approved plan of arrangement (the "2015 Denison Arrangement").

Under the terms of the 2015 Denison Arrangement, Fission Uranium common shareholders will receive 1.26 common shares of Denison and a cash payment of \$0.0001 per share for each common share of Fission Uranium held (the "Exchange Ratio"). Any outstanding Fission Uranium stock options will be exchanged for stock options of Denison adjusted in accordance with the Exchange Ratio. The Fission Uranium warrants will be adjusted in accordance with their terms such that the number of Denison shares received upon exercise and their respective exercise prices reflect the Exchange Ratio.

The 2015 Denison Arrangement, expected to be completed on or about October 19, 2015, will be subject to regulatory and Denison and Fission Uranium shareholder approval. Denison shareholders will also be asked to approve a 2-for-1 share consolidation that will take place shortly after the closing of the 2015 Denison Arrangement and a name change to "Denison Energy Corp." Each company has agreed to pay the other party a termination fee of \$14 million in certain circumstances.

Any questions and requests for assistance may be directed to the  
Proxy Solicitation Agent:



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