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| No. PBL-19<br>Rev. No.: R-0<br>Date: June 19, 2008 | DENISON MINES (USA) CORP.<br>STANDARD OPERATING PROCEDURES<br><b>Title: Containerized Alternate Feedstock<br/>Material Storage Procedure</b> | Page 1 of 3 |
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## 1.0 Purpose

The purpose of this procedure is to assure that storage of feedstock material is conducted in a manner so as to preclude the release of Mill feed material to the environment.

## 2.0 Scope

Feed materials delivered to the White Mesa Mill must be stored in a manner which precludes the release of the materials to the environment. In the case of bulk materials, such as unrefined natural ores and alternate feeds delivered in inter-modal containers, these materials are offloaded from the truck or shipping container directly onto the approved ore pad where migration of material is precluded by the pad's design and operating procedures (i.e. low permeability pad material, dust control procedures and limited stockpile height). However, certain feeds are received in drums or other containers which serve to effectively contain the material during storage and, as such, are amenable for storage either on the ore pad or at locations other than the ore pad. It is the intent of this procedure to describe the environmental safety precautions utilized for contained feed storage.

## 3.0 Procedure

### 3.1 Contained Feed Material Inspections

All contained feed materials received at the White Mesa Mill are inspected upon arrival to determine that the containers are not leaking and to assure container integrity prior to placing the material into storage. Each container will be observed on all sides for damage or leakage of contents. All containers exhibiting signs of leakage will be re-packed or placed in over-pack containers prior to placing the materials into storage. Dented drums are acceptable if the dent is not located near a seam or when the dent is not accompanied by a damage crease on the drum surface. Drums damaged by dents near the seam, crease damaged drums or containers that have been otherwise compromised during shipment are re-packed or placed in over-pack containers prior to storage. Containers which are not damaged at the time of receipt are transferred directly for placement at the storage location.

### 3.2 Storage Locations

#### 3.1.1 Defined Feedstock Storage

Feedstock materials stored at the defined storage location indicated on the map attached hereto as Attachment A (the "Defined Feedstock Area") can be stored in containers or in bulk form and are subject to the routine inspections described by

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the White Mesa Mill Tailings Management System Discharge Minimization Technology (DMT) Monitoring Plan at Section 3.3. a) (the White Mesa Mill Tailings Management System Discharge Minimization Technology (DMT) Monitoring Plan is reproduced as Section 3.1 of the Mill's Environmental Protection Manual).

3.1.2 Storage of Contained Feeds in Locations Other Than the Defined Feedstock Area

a) Over-pack Containers

Materials received or transferred into over-pack containers can be stored at locations other than the Defined Feedstock Area absent a hardened ground surface or containment berms due to the fact that the over-pack container provides a secondary containment for the packaged material. Over-pack materials are subject to the routine inspections described by the White Mesa Mill Tailings Management System Discharge Minimization Technology (DMT) Monitoring Plan at Section 3.3. a).

b) Hardened Surface Storage Locations

Contained feed materials, including materials in containers which have not been provided with over-pack protection, can be stored at locations other than the Defined Feedstock Area when a hardened ground surface storage location is used and has been provided with containment berms. These materials are subject to the routine inspections described by the White Mesa Mill Tailings Management System Discharge Minimization Technology (DMT) Monitoring Plan at Section 3.3. a).

c) Single Lined Containers Stored Outside the Defined Feedstock Area Where Hardened Surfaces and Containment Berms Are Not Utilized

Contained feeds can also be stored at locations, other than the Defined Feedstock Area, that have been selected to avoid impact by site drainage and/or pooling. Prior to storage at these locations, planks or pallets are placed beneath the drum storage locations in order to raise the container from the ground surface and avoid corrosion from water which may accumulate during precipitation events (despite site selection) and from rusting due to soil moisture when drums are stored directly on the ground. These contained materials are subject to the more particular storage protocols and inspections outlined below.

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### 3.3 Storage Protocol Single Lined Containers

In accordance with MSHA requirements, container storage must be implemented in such a manner as to limit the potential for a container to tip or fall onto a worker. For drummed materials, the agency limits such stacks to three drums in height due to stability considerations. In keeping with these concerns, Denison will configure single lined storage drums (stored off the Designated Feedstock Area) in rows no more than two containers wide at the base and may place a one-container row either on top of a single row or in the middle of a lower two-container row, in each case so as to straddle the tops of drums in the lower container row(s). This stacking configuration distributes the single upper row across the bottom row(s) of containers in such a manner as to hold the bottom row(s) from leaning and allowing for limited stacking on top of these lower row(s). Accordingly, when stacking is necessary, this configuration minimizes the risk of falling drums, limits stacking height for safety reasons and allows for a thorough inspection of each of the individual containers from the outside of the container row(s).

### 3.4 Single-lined Container Storage Area Inspections

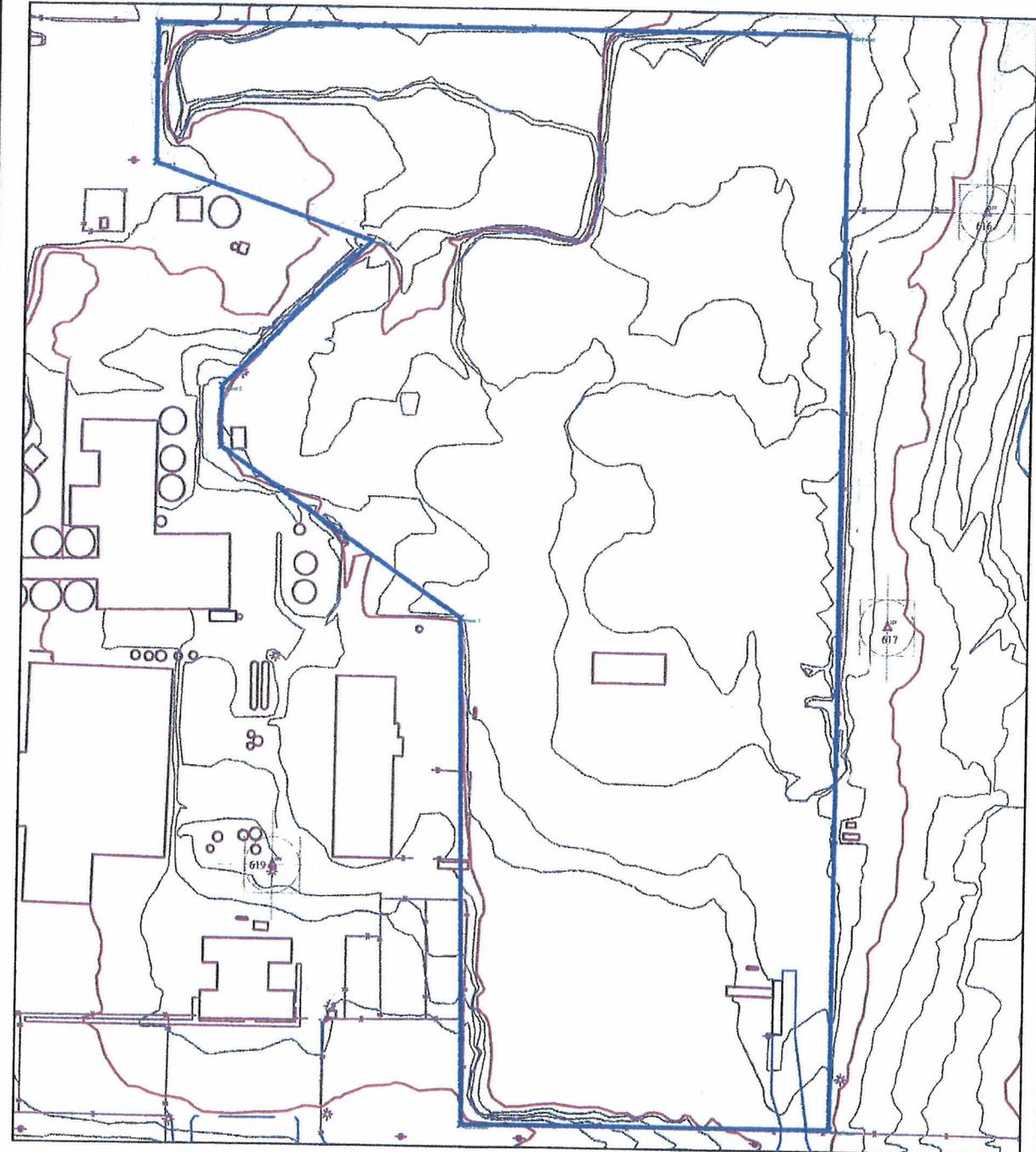
The single-lined container storage area(s) that are off of the Designated Feedstock Area will be inspected on a weekly basis (and after significant precipitation events) on both sides of any row in order to assure that the stored materials remain intact, that standing water has not accumulated and that materials are not leaking or migrating from the storage area.

### 3.5 Single-lined Container Storage Inspection Records

Denison will record all instances where single-lined containers are received damaged (or leaking) and require re-packing or the provision of an over-pack container. This information will be recorded on a container receipt form (see Attachment B) which documents the receipt of drummed materials to be stored in locations other than the Defined Feedstock Area. Similarly, each weekly inspection shall be recorded on the inspection form referred to in the White Mesa Mill Tailings Management System Discharge Minimization Technology (DMT) Monitoring Plan at Appendix A and attached as Attachment C to this Procedure. Such inspections require the documentation of container condition, the drainage conditions in the storage location, the presence of leakage, if any, and any corrective actions taken due to leakage of containers or standing water at the storage location.

## **Attachment A**

Z:\White Mesa Mill\2007 License Renewal Application\Figures\wm\_ore\_pad.dwg, Appendix B, 02/26/2007 9:27:40 AM, Adobe PDF, Letter



|                                  |    |                                   |                |
|----------------------------------|----|-----------------------------------|----------------|
| <b>Denison Mines (USA) Corp.</b> |    |                                   |                |
| Project                          |    | <b>WHITE MESA MILL</b>            |                |
| REVISIONS                        |    | County:                           | State: UT      |
| Date                             | By | Location:                         |                |
| 02/26/07                         | BM | <b>Feedstock Storage Area Map</b> |                |
|                                  |    |                                   |                |
|                                  |    |                                   |                |
|                                  |    |                                   |                |
|                                  |    |                                   |                |
| Scale: N/A                       |    | Date: 08/03/2008                  | wm_ore_pad.dwg |
| Author: bm                       |    | Drafted By: bm                    |                |

## **Attachment B**

# Containerized Alternate Feed Receipt Inspection

Date: \_\_\_\_\_

Inspector: \_\_\_\_\_

Number of containers/drums in shipment: \_\_\_\_\_

Radiation Activity Levels: \_\_\_\_\_

Location of Storage: \_\_\_\_\_

Observations (note dented or damaged drums):

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Corrective Action Taken for Damaged Drums:

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Inspector Signature

## **Attachment C**

**APPENDIX A (CONT.)**

**ORE STORAGE/SAMPLE PLANT WEEKLY INSPECTION REPORT**

Week of \_\_\_\_\_ through \_\_\_\_\_ Date of Inspection: \_\_\_\_\_

Inspector: \_\_\_\_\_

Weather conditions for the week:

\_\_\_\_\_  
\_\_\_\_\_

Blowing dust conditions for the week:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Corrective actions needed or taken for the week:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Are all bulk feedstock materials stored in the area indicated on the attached diagram:

yes: \_\_\_\_\_ no: \_\_\_\_\_

comments: \_\_\_\_\_  
\_\_\_\_\_

Are all alternate feedstock materials located outside the area indicated on the attached diagram maintained within water-tight containers:

yes: \_\_\_\_\_ no: \_\_\_\_\_

comments (e.g., conditions of containers): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

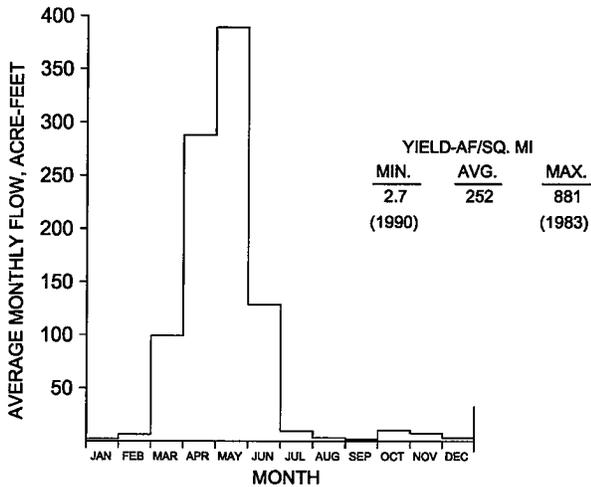
Conditions of storage areas for materials:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Other comments:

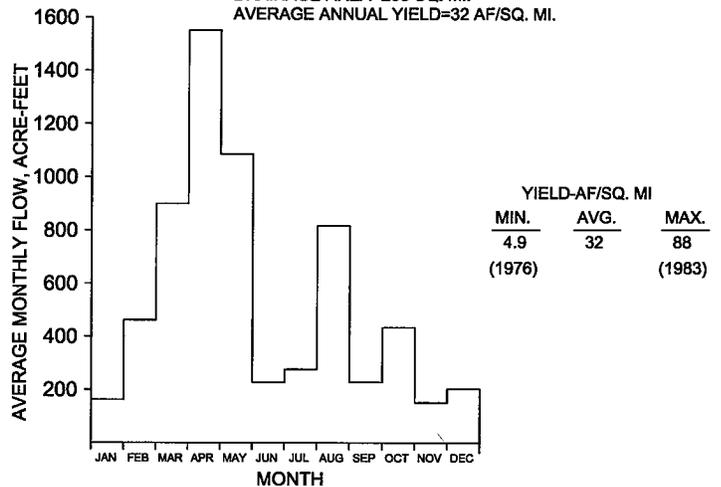
\_\_\_\_\_  
\_\_\_\_\_

AVERAGE ANNUAL FLOW=950 AF - (1966-2001)  
 DRAINAGE AREA=3.77 SQ. MI.  
 AVERAGE ANNUAL YIELD=252.1 AF/SQ. MI.



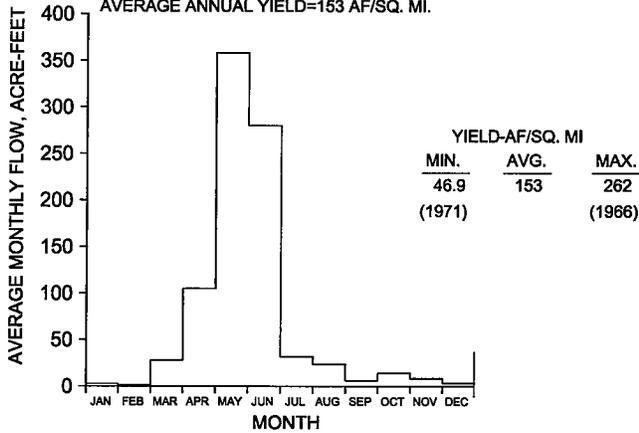
RECAPTURE CREEK NEAR BLANDING  
 USGS GAUGE 09378630

AVERAGE ANNUAL FLOW=6547 AF - (1965-1986)  
 DRAINAGE AREA=205 SQ. MI.  
 AVERAGE ANNUAL YIELD=32 AF/SQ. MI.



COTTONWOOD WASH NEAR BLANDING  
 USGS GAUGE 09378700

AVERAGE ANNUAL FLOW=7757 AF - (1966-1971)  
 DRAINAGE AREA=4.95 SQ. MI.  
 AVERAGE ANNUAL YIELD=153 AF/SQ. MI.



SPRING CREEK ABOVE DIVERSIONS,  
 USGS GAUGE 09376900

**NOTES**

1. FOR THE LOCATION OF WATER COURSES SUMMARIZED, SEE FIGURE 3.7-1
2. SOURCE OF DATA, WATER RESOURCES DATA RECORDS, COMPILED AND PUBLISHED BY USGS.

U:\2009 License Renewal Application - Figures\Figure 13.dwg Figure 13 31/08/2009 dsledd

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| <b>Denison Mines (USA) Corp.</b>   |                     | <b>DENISON MINES</b>   |
| Project  |                     | <b>WHITE MESA MILL</b> |
| REVISIONS  | County:             | State: UT              |
| Date   | By                  | Location:              |
| <p><b>Figure 13</b><br/> <b>Streamflow Summary</b><br/> <b>Blanding, UT Vicinity</b></p> |                     |                        |
| Scale: N/A   | Date: Aug 2009      | figure 13.dwg          |
| Author: bm   | Drafted By: D.Sledd |                        |