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July 21, 2009

Ms. Christy Woodward  
Denison Mines (USA) Corp.  
1050 17th Street, Suite 950  
Denver, Colorado 80265

RE: Pandora Mine Waste Rock Area Expansion Wetlands Determination

Dear Ms. Woodward,

Pursuant to our contract with Denison Mines (USA) Corp. (Denison Mines) to conduct environmental investigations associated with the proposed waste rock area expansion at your Pandora Mine facility, please accept this letter detailing our finding of "no wetlands" within the proposed expansion area of the Pandora Mine.

Two SWCA Environmental Consultants (SWCA) employees – Mr. Steven O'Brien, an experienced wetland scientist, and Ms. Amanda Kuenzi, a plant biologist – visited the Pandora Mine east of La Sal, Utah on June 25, 2008, to determine the presence or absence of wetlands and jurisdictional waterbodies within the boundaries of the proposed waste rock expansion area. During their visit, Mr. O'Brien observed shallow soil profiles, vegetation, and indicators of wetland hydrology at several locations in each of four survey areas surrounding the existing disturbed area. A map of the surveyed areas, a U.S. Department of Agriculture soil survey map, an aerial photograph, a U.S. Geological Survey topographic map, and photographs taken during our visit are included with this report.

It is SWCA's opinion that no wetlands or jurisdictional waterbodies are present within the proposed expansion area. This determination has not been verified by the U.S. Army Corps of Engineers. A summary of our observations is below.

Our observations indicated that although vegetation and soils vary somewhat based on topography, slope, location, and the extent of previous disturbance, vegetation and subsurface soils exhibit some similar characteristics at each location observed. The property slopes overall towards the southwest. Soils consist primarily of combinations of sand, silt, and loam. Some areas are overlain with sedimentary runoff from uphill operations.



### Northwest Area

The northwest area of the proposed expansion site consists of a drainage where runoff from uphill flows and collects for a short period before draining away through a culvert under a road. The culvert did not appear to be clogged and appeared to be effectively draining water away from this area. No channel was evident in this area. Plants observed in the northwest area included *Agropyron* sp. (wheatgrass), *Artemisia tridentata* (sagebrush), *Hordeum jubatum* (foxtail barley), and *Juniperus osteosperma* (Utah juniper). A representative soil profile for the northwest area of the site is as follows:

0-6"	7.5YR 5/3 clayey silty loam
6+"	7.5YR 4/3 silt

Additionally, one small depression (approximately 10 × 30 feet) near the culvert represents the lowest elevation in this area, and was the “wettest” of all soils site-wide. However, even this sub-area should not be considered a wetland, due to non-hydric vegetation (100% foxtail barley; indicator status: FAC<sup>1</sup>), the lack of hydrologic indicators, and the lack of nexus to any jurisdictional wetland. A representative soil profile for this depression is:

0-6"	10YR 4/2 silty loam
6-10"	10YR 4/2 silt
10+"	10YR 4/2 silty clay with <5% 5YR 4/6 mottles

### Southwest Area

Soil observations throughout the southwest area of the proposed expansion site proved very similar to one another. This was expected, as the area is uniformly sloped, is derived from the same parent material, and exhibits the same plant community throughout. No channel or even a lateral depression is present in this area. Plants in this area are primarily wheatgrass and sagebrush. A representative soil profile for this area is as follows:

0-12"	7.5YR 4/4 sand/silt with no structure
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<sup>1</sup> Facultative (FAC): Equally likely to occur in wetlands or non-wetlands, with an estimated probability of 34% to 66%.



*North and East Areas*

Additional areas were observed along the north and east of the proposed expansion site. However, these areas consist of waste rock and/or steep slopes with no potential to contain wetlands.

Based on sitewide observations of soil, vegetation, and hydrologic indicators during our site visit, SWCA concludes that no wetlands or jurisdictional waterbodies are present within the surveyed portions of the Pandora Mine.

We thank you for the opportunity to perform these services for Denison Mines.

Sincerely,

A handwritten signature in blue ink that reads "Alex Wesson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Alex Wesson  
Project Manager

A handwritten signature in blue ink that reads "Steven M. O'Brien". The signature is fluid and cursive, with a long horizontal stroke at the end.

Steven O'Brien  
Wetland Specialist

Soil Map—Canyonlands Area, Utah - Parts of Grand and San Juan Counties, and San Juan Area, Utah  
(Pandora Mine Soils Map)



109° 13' 53"



Map Scale: 1:10,300 if printed on A size (8.5" x 11") sheet.



## Map Unit Legend

<b>Canyonlands Area, Utah - Parts of Grand and San Juan Counties (UT633)</b>			
<b>Map Unit Symbol</b>	<b>Map Unit Name</b>	<b>Acres in AOI</b>	<b>Percent of AOI</b>
3	Barnum loam, 0 to 3 percent slopes	26.6	5.7%
14	Bond-Rizno fine sandy loams, 3 to 15 percent slopes	3.4	0.7%
79	Shalako-Anasazi-Rock outcrop complex, 3 to 15 percent slopes	157.6	33.8%
101	Ustic Torriorthents-Ustollic Haplargids complex, 10 to 60 percent slopes	154.2	33.1%
<b>Subtotals for Soil Survey Area</b>		<b>341.8</b>	<b>73.3%</b>
<b>Totals for Area of Interest</b>		<b>466.3</b>	<b>100.0%</b>

<b>San Juan Area, Utah (UT639)</b>			
<b>Map Unit Symbol</b>	<b>Map Unit Name</b>	<b>Acres in AOI</b>	<b>Percent of AOI</b>
MnDL	Monticello very fine sandy loam, low rainfall, 2 to 10 percent slopes	28.8	6.2%
MvG	Montvale very rocky very fine sandy loam, 2 to 25 percent slopes	86.9	18.6%
SnC	Scorup very fine sandy loam, 2 to 6 percent slopes	8.9	1.9%
<b>Subtotals for Soil Survey Area</b>		<b>124.6</b>	<b>26.7%</b>
<b>Totals for Area of Interest</b>		<b>466.3</b>	<b>100.0%</b>

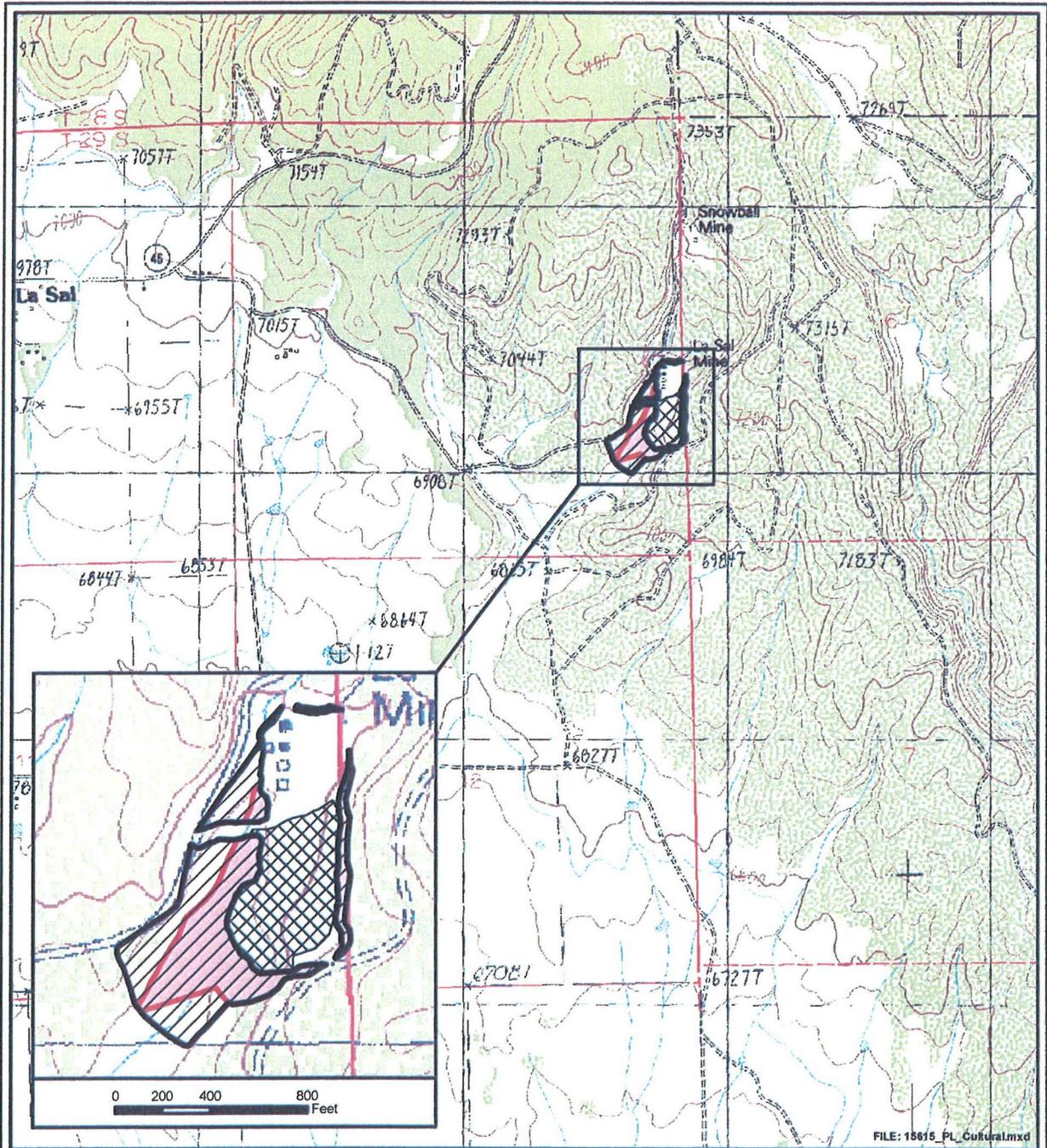


Image © 2009 DigitalGlobe

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lat 38.307442° lon -109.219948°

Eye alt 1507 ft



Legend	
	Survey Area
	Proposed Expansion Area
	Existing Waste Rock Area
	Bureau of Land Management
	Private
	State
	US Forest Service

0 250 500 1,000 Meters

0 500 1,000 2,000 Feet

Client: Denison Mines  
 Project No. 15615  
 Scale: 1:24,000 (1:8,000 Inset)  
 Base Map: USGS 7.5' Topographic Map  
 Quadrangle: La Sal East  
 Township 29S Range 24E  
 UTM Zone 12 NAD83, Meters  
 DATE: 7/21/2009

**SWCA**  
 ENVIRONMENTAL CONSULTANTS

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**Site Photographs, June 25, 2009**



**Photo 1.** Typical view of the northwest parcel.

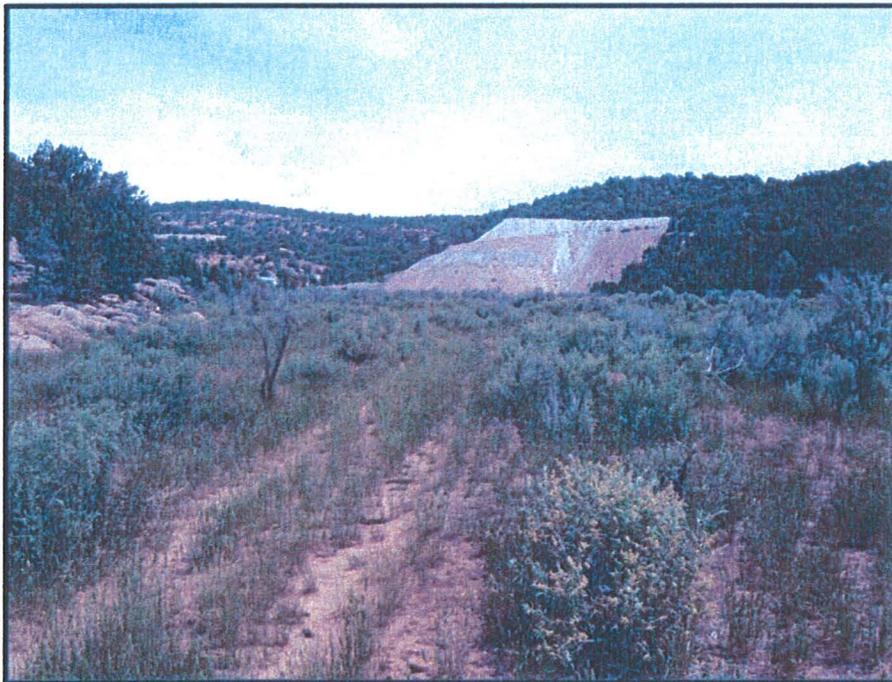


**Photo 2.** View of the "wettest" area of the site, in the northwest parcel.

Site Photographs, June 25, 2009



**Photo 3.** Typical view of the eastern parcel.



**Photo 4.** View of the southwest parcel, facing northeast.