

**CROW BUTTE RESOURCES, INC.**

**86 Crow Butte Road  
P.O. Box 169  
Crawford, Nebraska 69339-0169**



**(308) 665-2215  
(308) 665-2341 – FAX**

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July 12, 2010

Mr. Keith I. McConnell, Deputy Director  
Decommissioning and Uranium Recovery Licensing Directorate  
Division of Waste Management and Environmental Protection  
Office of Federal and State Materials and Environmental Management Programs  
U.S. Nuclear Regulatory Commission  
Mail Stop T8-F5  
Washington D.C. 20555-0001

Re: Source Material License SUA-1534  
Docket No. 40-8943  
License Agreement for Disposal of 11e.(2) Byproduct Material

Dear Mr. McConnell:

Cameco Resources – Crow Butte Operation (CBO) currently has an agreement with Pathfinder Mines Corporation, Shirley Basin, Wyoming for the disposal of 11e.(2) byproduct material. This agreement will terminate on July 31, 2010. For disposal of 11e.(2) byproduct materials past July 31, 2010, CBO has entered into a disposal agreement with Denison Mines, Denver, Colorado, who operates the White Mesa Mill located near Blanding, Utah. This agreement will terminate on June 30, 2011 and renews automatically on an annual basis until June 30, 2015.

License Condition 9.7 of Source Material License SUA-1534 requires that CBO notify NRC within seven days of the expiration date of its waste disposal contract. Although the current contract has not expired or been terminated, this letter is intended to provide notice to NRC as required by License Condition 9.7.

By letter dated July 12, 2010, a copy of the new disposal agreement was submitted for your review and approval. It has been brought to our attention that we inadvertently attached the wrong agreement. Please find attached the correct agreement.

If you have any questions please feel free to contact me at (308) 665-2215 ext. 114.

Sincerely,  
Cameco Resources  
Crow Butte Operation

A handwritten signature in cursive script that reads "Larry Teahon".

Larry Teahon  
SHEQ, Manager

**CROW BUTTE RESOURCES, INC.**



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Mr. McConnell  
July 12, 2010  
Page 2

Attachment as Stated

cc: Mr. Ron Burrows – Project Manager - NRC  
CBO - File

## BYPRODUCT DISPOSAL AGREEMENT

This BYPRODUCT DISPOSAL AGREEMENT ("Agreement") is made on June 1, 2010, by and between, Crow Butte Resources, a Nebraska corporation d/b/a Cameco Resources ("Shipper") with its principal corporate offices at 2020 Carey Avenue, Suite 600, Cheyenne, Wyoming 82001, and Denison Mines (USA) Corp. ("DUSA"), with its principal corporate offices at 1050 Seventeenth Street, Independence Plaza, Suite 950, Denver, Colorado 80265.

### RECITALS:

A. Shipper is the operator and owner of an in-situ uranium recovery project located near Dawes County, Nebraska commonly known as the Crow Butte Uranium Project (the "Project"), and such operations are conducted in accordance with a permit issued by the Nuclear Regulatory Commission (the "NRC"), Permit number SUA-1534 ("Shipper's Radioactive Materials License").

B. Shipper desires an agreement with the operator and/or owner of a duly licensed facility authorized to permanently dispose of all of the Byproduct Material as defined under Section 11(e)(2) of the Atomic Energy Act of 1954, as amended, 42 U.S.C. § 2014(e)(2) and 10 C.F.R. § 40.4 (the "Byproduct Material"), associated with the Project or arising from activities at the Project.

C. DUSA is the operator of the White Mesa Mill located near Blanding, Utah (the "White Mesa Mill"). The White Mesa Mill is owned by Denison White Mesa, LLC, an affiliate of DUSA. The White Mesa Mill has been duly licensed (the "White Mesa License") to permit the disposal of Byproduct Material generated as a result of uranium mining and processing by placement of the Byproduct Material in the White Mesa Mill's tailings impoundment (the "Tailings Facility").

D. DUSA and Denison White Mesa, LLC have the necessary expertise, equipment, facilities, permits and licenses to safely and lawfully dispose of the Byproduct Material and to perform all work required in accordance with the terms and conditions set forth in this Agreement. Denison White Mesa, LLC is also signing this Agreement as a guarantor of DUSA's obligations hereunder.

E. DUSA is willing to accept Byproduct Material from Shipper for permanent disposal in the Tailings Facility at the White Mesa Mill upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements set forth in this Agreement, Shipper and DUSA agree as follows:

#### 1. AGREEMENT TO ACCEPT BYPRODUCT MATERIAL.

A. The initial term of this Agreement shall be one year commencing March 1, 2010 to and including June 30, 2011, unless terminated earlier as hereinafter provided. Upon expiry of

the initial term, this Agreement shall automatically renew each July 1 for additional one year period, up to a maximum of four such additional one year periods, on the same terms and conditions as then in effect, subject to adjustment pursuant to Paragraph 11 hereof, unless, not less than 60 days prior to any such anniversary date, either DUSA or Shipper shall have given written notice to the other that it does not wish to renew this Agreement or this Agreement has been terminated in accordance with the provisions contained herein. The term of this Agreement (the "Term") shall be the initial term plus all such additional one year renewal periods up to a maximum of four additional periods (i.e., up to June 30, 2015 at the latest).

B. During the Term, unless this Agreement is terminated earlier under Paragraph 14 hereof, Shipper shall ship all of the Byproduct Material of Shipper associated with or now located at the Project from activities at the Project site, up to a maximum total of 5,000 cubic yards of Byproduct Material, to DUSA for final disposal at the White Mesa Mill pursuant to the terms and conditions of this Agreement. All such Byproduct Material shall be delivered to DUSA at the White Mesa Mill. A corporate officer of the Shipper will certify in writing that the Byproduct Material has originated from the Project, and such certification shall be included in the Bill of Lading delivered to DUSA.

C. DUSA agrees to accept for final disposal the Byproduct Material of Shipper, as described herein, which is delivered to the White Mesa Mill pursuant to the terms and conditions of this Agreement during the Term of this Agreement, up to a maximum total of 5,000 cubic yards, unless this Agreement is terminated sooner under Paragraph 14 hereof.

D. Upon execution of this Agreement, and thirty (30) days prior to the beginning of each calendar quarter, Shipper shall notify DUSA of the anticipated number, type and volume of shipments to be sent for disposal.

## 2. ANALYSIS, TRANSPORTATION, SCHEDULING, AND DELIVERY OF BYPRODUCT MATERIAL.

A. Shipper shall provide and arrange for the transportation of Shipper's Byproduct Material through a transportation contractor. Any and all Byproduct Material shipped for disposal shall be transported in trucks, end dump containers, or in 55 gallon drums. All trucks shall be selfdumping/end dump trucks, and all such drums shall be full of Byproduct Material and shall be so labeled. Shipper shall require that the transportation contractor comply with all applicable federal and state transportation regulations. Shipper shall make a copy of its contract with the transportation contractor available to DUSA upon request; provided, however, that Shipper may first black out pricing and other confidential commercial information. By releasing a shipment from the Project, Shipper shall be deemed to have represented and warranted that all information set forth in the forms, reports and logs completed by Shipper is in accordance with this Agreement, and all applicable laws, rules and regulations. All deliveries of Byproduct Material to the White Mesa Mill shall be between the hours of 7:30 a.m. and 3:30 p.m., Monday through Friday (excluding holidays in the State of Utah). Shipper shall schedule loading at the Project accordingly. Shipper shall be responsible for any demurrage charges resulting from

failure to load trucks to ensure that this delivery requirement can be met. As used herein, "shipment" is defined as any number of drums loaded on one truck or a partial or one full truckload of Byproduct Material, transported at one time. Scheduling of the shipments shall be coordinated with DUSA. Shipper shall segregate types of Byproduct Material based on the categories set forth in Paragraph 10(A) hereof to facilitate determination of quantities being shipped for disposal and all shipments shall be in compliance with the requirements of Paragraph 5(D) hereof.

B. Shipper shall notify DUSA, in writing, thirty days prior to an intended shipment of the Byproduct Material. Such notice shall include: (1) a detailed description of the content of the proposed shipment, setting forth with specificity a list of categories or types of Byproduct Material that it intends to ship to the White Mesa Mill, and; (2) a date when sampling (as described in Paragraph (C)) of the material proposed for shipment will occur.

C. At its sole expense, Shipper shall provide sample analyses (RCRA TCLP analysis, natural uranium, Radium-226 and Thorium-230, and other characterizations requested by DUSA) in sufficient detail to enable DUSA to confirm the content of the intended delivery of Byproduct Material. Shipper shall collect and analyze representative samples for each category or type of Byproduct Material that will be delivered to DUSA for disposal. Where the Byproduct Material is not suited to sample collection (i.e. metals, process equipment, filter media and similar materials), the Byproduct Material, at a minimum, shall be evaluated in an appropriate manner to determine the total amount of activity due to Radium-226 in each shipment. DUSA reserves the right to have its representative present when Shipper collects the samples. The samples shall be sent to a commercial analytical laboratory that is acceptable to both DUSA and Shipper. A corporate officer of the Shipper will certify in writing that the analyses as listed in this Paragraph 2 (C) have been completed for each shipment. An original report of the results of the commercial analytical laboratory analyses and the Shipper's certification will be provided to DUSA thirty (30) days prior to scheduling the actual delivery of the Byproduct Material.

D. Shipper shall provide DUSA with advance notice of the actual date of delivery of the Byproduct Material two (2) business days prior to such delivery.

E. Unloading at the White Mesa Mill shall occur only in areas designated for unloading by DUSA, and in strict accordance with the procedures established by DUSA.

3. REJECTION OF MATERIAL. DUSA shall be entitled to reject delivery of any Byproduct Material or other material of Shipper which, (1) DUSA is not authorized to permanently dispose of at the White Mesa Mill by any term or condition of the White Mesa License, or by the terms or conditions of any other applicable permit or license, or by any applicable laws or regulations, or (2) DUSA, in good faith, determines it is not the material from which a sample analysis has been provided to DUSA. Upon receipt of notice from DUSA of any such rejection, Shipper will promptly remove any such nonconforming material from the White Mesa Mill. DUSA may also direct the transportation contractor to return the entire load to the Project. The removal cost, including any demurrage or delay costs incurred by the trucker, and

all of DUSA's costs associated with identifying and handling any rejected material shall be paid for by Shipper. To the extent that DUSA has the legal obligation to identify, and to notify governmental agencies of any shipment of material (or portion thereof), which DUSA believes not to be in compliance with applicable regulations, DUSA shall not be liable to Shipper for any loss or damage incurred by Shipper because of such identification and notification. DUSA shall make every effort to notify Shipper of such identification and notification in a timely manner. DUSA's right to reject material of Shipper shall continue up to the time that DUSA has accepted the material for permanent disposal at the Tailings Facility. "Permanent disposal" means the actual placement of the material in the Tailings Facility at the White Mesa Mill. After permanent disposal, Shipper's Byproduct Material will not be segregated from any other material received from any other third party or from any of DUSA's material. Title to the Byproduct Material shall pass to DUSA upon acceptance of the material by DUSA for permanent disposal at the Tailings Facility.

4. REPRESENTATIONS AND WARRANTIES OF DUSA. As material inducements to Shipper to enter into this Agreement, DUSA represents and warrants to Shipper as follows:

A. DUSA is a corporation duly organized, validly existing, in good standing under the laws of the State of Delaware, and is duly qualified and authorized to do business in the State of Utah.

B. DUSA has full corporate power and authority to own its property, carry on its business as being conducted on the date of this Agreement, and has full authority to enter into and perform its obligations under this Agreement.

C. The obligations of DUSA, which are set forth in this Agreement, are enforceable in accordance with their terms except as such terms may be limited by bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally.

D. The White Mesa Mill facility (i) is not or has not been the subject of response costs as defined by the Comprehensive Environmental Response, Compensatory, and Liability Act, as amended, 42 U.S.C. § 9601-9662 ("CERCLA"), or (ii) is not listed, or is not proposed to be listed, on the National Priority List as defined in CERCLA.

E. The White Mesa License is in full force and effect and permits DUSA and Denison White Mesa, LLC to accept and dispose of Byproduct Materials in accordance with the terms and conditions of this Agreement.

5. REPRESENTATIONS AND WARRANTIES OF SHIPPER. As material inducements to DUSA to enter into this Agreement, Shipper represents and warrants to DUSA as follows:

A. Shipper is a Corporate duly organized, validly existing, in good standing under the laws of the state of its incorporation. Shipper has been duly licensed under the Shipper's Radioactive Materials License to operate the Project and to generate the Byproduct Material.

B. Shipper has full corporate power and authority to own its property; to carry on its business as being conducted on the date of this Agreement, and has full authority to enter into and perform its obligations under this Agreement.

C. The obligations of Shipper, which are set forth in this Agreement, are enforceable in accordance with their terms except as such terms may be limited by bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally.

D. Each shipment of Byproduct Material to be delivered to the White Mesa Mill for final disposal in the Tailings Facility will comply with all applicable provisions of Titles 10 and 49 of the U.S. Code of Federal Regulations, Shipper's Radioactive Materials License, the White Mesa License, and all other applicable regulations, permits and licenses.

E. The Byproduct Material is not and does not contain any hazardous waste as defined in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901-6992, or comparable state laws or regulations. The Byproduct Material has not been transported from any site or facility which (i) is or has been the subject of response costs or demands for the payment of response costs as defined in CERCLA, or (ii) is listed, or is proposed to be listed, on the National Priority List as defined in CERCLA.

6. COVENANTS OF DUSA. DUSA covenants as follows:

A. DUSA shall remain in compliance with its representations and warranties as set forth in this Agreement during the term of this Agreement.

B. DUSA shall maintain, at its expense, during the continuance of the effectiveness of this Agreement, policies of insurance which provide at least the following types of coverage in at least the following amounts:

<u>COVERAGE</u>	<u>LIMITS</u>
Worker's Compensation	Statutory
Employer's Liability	\$1,000,000 each occurrence
General Liability	\$2,000,000 combined single limit
Automotive Liability (bodily injury & property damage)	\$1,000,000 each accident

C. Worker's Compensation insurance shall contain a waiver of subrogation clause, to the extent permitted by law.

D. DUSA shall, throughout the continuance of the effectiveness of this Agreement, remain in compliance with the requirements of any federal or state agency for the deposit of surety bonds, cash funds, or other surety arrangements as required by any such agency, to assure

it of performance and completion of requirements for reclamation of the White Mesa Mill in accordance with applicable law and regulations.

7. COVENANTS OF SHIPPER. Shipper covenants as follows:

A. Shipper shall remain in compliance with its representations and warranties as set forth in Paragraph 5 of this Agreement during the continuance of the effectiveness of this Agreement.

B. Shipper shall maintain or cause the transportation contractor to maintain, at its expense, during the continuance of the effectiveness of this Agreement, policies of insurance which name each of DUSA and Denison White Mesa LLC as an additional insured, and which provide at least the following types of coverage in at least the following amounts. Prior to delivering any Byproduct Material to the White Mesa Mill and, as a condition to doing so, then, and from time to time during the continuance of this Agreement, Shipper shall furnish to DUSA duly executed certificates of insurance establishing that the required insurance coverage has been obtained and is being maintained in full force and effect.

COVERAGE

LIMITS

Worker's Compensation	Statutory
Employer's Liability	\$1,000,000 each occurrence
General Liability	\$2,000,000 combined single limit
Automotive Liability (bodily injury & property damage)	\$1,000,000 each accident
Automotive Liability (LSA - Highway Route Controlled Quantity Coverage)	\$5,000,000

C. Worker's Compensation insurance shall contain a waiver of subrogation clause, to the extent permitted by law.

D. The Byproduct Material to be delivered to the White Mesa Mill for disposal in the Tailings Facility will consist of contaminated soil, sand, rocks, demolition masonry, concrete rubble, filter material, pond liners, processing equipment, piping, pond sludge and other miscellaneous material and equipment. No separate pieces of any material shall exceed 30 cubic feet in volume, with no single dimension greater than six feet. Any and all material containing void space of one cubic foot or greater, except open-ended steel piping, shall be opened by Shipper such that the void space can be filled during disposal, or the material shall be crushed by Shipper such that the remaining void space is less than one cubic foot. No partially filled drums shall be shipped, and Shipper shall crush any empty drums that are shipped for disposal. Materials of a friable nature, such as PVC or fiberglass, shall be crushed or chipped by Shipper to reduce void space. Byproduct Materials saturated with liquid will not be shipped. No rebar or other sharp objects shall be protruding from concrete or cement type of rubble. Any deviation from these requirements must be approved in writing by DUSA prior to transporting such materials. The Byproduct Material is expected to include the radionuclides Radium-226,

Thorium-230, and natural uranium. The Radium-226 levels will not exceed 6,000 pci/gram, and total radioactivity will not exceed 6,000 pci gross alpha activity per gram, and sample reports showing radioactivity levels shall be included with the Bill of Lading delivered to DUSA for each shipment.

E. With each shipment of the Byproduct Material to the White Mesa Mill, Shipper shall execute and deliver to DUSA (or the transporter, as appropriate) a Bill of Lading and Material Release Authorization, and the information provided on such shall be true and accurate in all respects.

8. **INDEMNIFICATION BY DUSA.** DUSA shall indemnify, defend, and save harmless Shipper and its officers, employees, and agents against all liability whatsoever, including all costs and expenses Shipper and its officers, agents, and employees may incur, including without limitation by reason of enumeration, claims asserted against Shipper by any employee of DUSA, environmental response costs, clean up costs, governmental fines, costs of settlement, and reasonable attorney's fees which in any way relate to or arise out of or are incurred in connection with any of the following: a breach by DUSA of its representations, warranties or covenants made in this Agreement, the failure of DUSA to comply with the terms and provisions of the White Mesa License and/or any state issued permits, or other applicable federal and state statutes or regulations, or the disposal of any Byproduct Material at the White Mesa Mill provided that the Byproduct Material conforms in all material respects to the terms of this Agreement and the data supplied on any of the reports, logs or forms provided by Shipper.

9. **INDEMNIFICATION BY SHIPPER.** Shipper shall indemnify, defend, and save harmless DUSA, Denison White Mesa, LLC. and their respective officers, employees, and agents against all damages and liability whatsoever, including all costs and expenses that DUSA, Denison White Mesa, LLC. and their respective officers, agents, and employees may incur, including without limitation, loss of profits or revenues, claims asserted against DUSA or Denison White Mesa, LLC. by any employee of Shipper, environmental response costs, clean up costs, governmental fines, costs of settlement, and reasonable attorney's fees which in any way relate to or arise out of or are incurred in connection with the disposal of any Byproduct Material delivered to the White Mesa Mill from Shipper, if such damages or liability, in any way whatsoever, results from the failure of the Byproduct Material to conform to the terms of this Agreement or the data supplied on any of the reports, logs or forms provided by Shipper, or said shipment fails to meet applicable standards prescribed by the Department of Transportation, or any other federal or state governmental agency, having jurisdiction over such matters, or which are related to breaches by Shipper of its representations, warranties or covenants made in this Agreement, or the failure of Shipper to comply with the terms and provisions of the Shipper's Radioactive Materials License, and/or any other permits or other applicable federal and state statutes or regulations, regardless of whether title to the Byproduct Material has passed to DUSA under the terms of this Agreement.

10. PAYMENTS AND FEES. For all the Byproduct Material delivered to and disposed of by DUSA, Shipper shall pay DUSA as follows:

A. Subject to the provisions of Section 11 hereof, Shipper shall pay DUSA within 21 days of receipt of an invoice therefor, the following disposal fees for quantities of Byproduct Material delivered for disposal, as indicated below:

- (i) For Byproduct Material consisting of soils, sand, gravel, rock, concrete rubble within size specification, and masonry-type demolition material: \$110.00 per ton.
- (ii) For Byproduct Material consisting of unpackaged pond sediments, PVC, fiberglass and process equipment and other miscellaneous items: \$130.00 per ton.
- (iii) For Byproduct Material consisting of packaged or drummed demolition and processed waste, including PVC, fiberglass, ion exchange resin, process equipment, and other miscellaneous items not included as bulk material: \$150.00 per ton.
- (iv) An unloading charge of \$55.00 per hour, or any part thereof, not to exceed \$165, will be made for unloading of each shipment at the White Mesa Mill.
- (v) A decontamination charge of \$170 per shipment for decontamination of the truck and container to meet the applicable NRC release standards as listed in Table 1 of the NRC "Guidelines for Decontamination of Facilities and Equipment Prior to Release For Unrestricted Use or Termination Of Licenses For Byproduct, Source, or Special Nuclear Material," (May 1987) and the applicable Department of Transportation regulations contained in 49 CFR Part 173. DUSA uses high-pressure water to decontaminate equipment. In the event additional decontamination equipment or methods are required, additional charges will be applied equal to the cost for such additional decontamination reagents, man-hours, and equipment plus a fee of 10% thereon.
- (vi) Any truckload consisting of any combination of both A(i) and A(ii) will be charged at the rates provided in A(ii).
- (vii) Any truckload consisting of any combination of either A(i), A(ii) and A(iii) will be charged at the rates provided in A(iii). As used herein, "ton" shall mean 2,000 pounds. The determination of "cubic feet" shall be based on the shipping container volume.

IUSA will provide Shipper with a copy of DUSA's scale ticket to support DUSA's weight measurement and subsequent invoice.

B. The Utah State Radioactive Waste Tax applicable to the Byproduct Material disposed

of at the White Mesa Mill shall be paid by Shipper.

C. All sales and use taxes, that are applicable to the services covered herein, shall be paid by Shipper.

11. FEE REVIEW AND INCREASE.

A. Any material increase of DUSA's costs of operation, due to regulatory requirements, shall be charged to the Shipper, in a fair and reasonable proportion, from the date a particular requirement becomes effective; provided, however, that DUSA shall give Shipper at least 60 days advance notice of any such increase and the increase shall only apply to shipments made after the expiration of such 60 day notice period.

B. On each anniversary of the date hereof, during the Term, the fees set out in Paragraph 10A, as they may have been previously adjusted pursuant to this Section 11, shall be adjusted by multiplying each such fee by the sum of 1 plus the percentage increase in the Price Index over the 1 year period ending on the date of such adjustment.

For the purpose of this Paragraph 11B, the term "Price Index" shall mean the General Producer's Price Index for Finished Goods as published by the United States Department of Labor, Bureau of Labor Statistics for the closest month ending prior to the adjustment dates.

12. INSPECTIONS. Shipper's representatives, as designated to DUSA in writing, shall have the right to inspect DUSA's White Mesa Mill facilities which are related to receipt, handling, and disposal of the Byproduct Material, at reasonable times and frequency designated by DUSA, and upon at least seven days written notice from Shipper. Shipper shall also have the right to inspect, upon reasonable notice, DUSA's licenses and permits to receive, handle and dispose of Byproduct Material at the White Mesa Mill facility. Such inspections shall be at the sole cost and risk of Shipper's participating representatives, and shall not interfere with DUSA's operations at the White Mesa Mill.

13. SAFETY. Shipper, its employees, all its contractors and subcontractors ("Shipper's Personnel"), shall abide by all health, safety, and security rules and regulations in force at the White Mesa Mill, or on any property controlled by DUSA or Denison White Mesa, LLC. while they are present on the premises. Shipper shall indemnify and hold harmless DUSA and Denison White Mesa, LLC. for any loss or damages, including reasonable attorney's fees, suffered by DUSA or Denison White Mesa, LLC. resulting from the failure of Shipper's employees, contractors or subcontractors to comply with the terms of this Paragraph 13.

14. TERMINATION.

A. This Agreement may be terminated by notice from either party in the event of substantial failure by the other party to fulfill its obligations through no fault of the terminating

party, provided that no such termination may be effected unless the other party is given not less than 15 business days written notice (delivered in person or by certified mail, return receipt requested) of intent to terminate, during which time the default may be cured and the Agreement reinstated.

B. If termination is caused by default of Shipper, Shipper shall pay DUSA all sums due hereunder, through the date of termination.

C. In the event termination is caused by default of DUSA, DUSA will reimburse Shipper for all sampling and characterization costs incurred for any pending shipments and any transportation costs incurred for pending shipments.

D. In the event any one party shall have declared force majeure, as cited in Paragraph 25 herein, for any event or events cumulating over 60 days, the other party may terminate this Agreement by five days written notice.

15. CONFIDENTIALITY. DUSA and Shipper shall endeavor to keep this Agreement and the terms and conditions contained herein confidential and shall not disclose same to third parties without the other party's prior written consent, which will not be unreasonably withheld, unless such disclosure is required pursuant to applicable law or regulation, including tax and securities laws and regulations, or for the purposes of the financing of either party or any of its affiliates. Either party may make such disclosures as it deems appropriate to affiliates, employees, agents, contractors or prospective purchasers, lessees or assigns, provided that any such persons are advised of this confidentiality clause and agree to be bound by it.

16. NOTICES. Except as specifically provided to the contrary in this Agreement, any notices or communications permitted or required hereunder shall be deemed properly transmitted when delivered in person or sent by mail, telecopy, or any other form of written communication, addressed to the respective party at the addresses listed below or at such other address as either party may notify that other in writing in accordance with the provisions of this Paragraph. Notices shall be deemed to have been given on the date of receipt.

IF TO DUSA OR DENISON WHITE MESA LLC:

Denison Mines (USA) Corp.  
Independence Plaza, Suite 950  
1050 Seventeenth Street  
Denver, Colorado 80265  
Phone: (303) 628-7798  
Fax: (303) 389-4125

IF TO SHIPPER:

Cameco Resources  
2020 Carey Avenue, Suite 600  
Cheyenne, WY 82001  
Phone: Unknown at this time – will provide when available  
Fax: Unknown at this time – will provide when available

17. **SURVIVAL OF OBLIGATIONS.** As provided in this Agreement, the obligations, representations and warranties of each party to the other, which are to be performed after termination, shall survive the termination of this Agreement regardless of the cause of termination.

18. **GOVERNING LAW AND VENUE.** This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

19. **INUREMENT.** The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors, and permitted assigns. Provided, however, neither party shall assign or transfer any of its rights or obligations under this Agreement except with the prior written consent of the other party, and the written assumption by the transferee of all of the obligations of such assigning party in a form satisfactory to the other party. Either party's consent to one transfer shall not operate as a waiver of such party's rights as to any subsequent transfer or any subsequent transferee.

20. **COMPLETE AGREEMENT AND AMENDMENT.** This Agreement constitutes the full and complete understanding of the parties with respect to the subject matter hereof and supersedes any prior agreement, oral or written, relating thereto. This Agreement shall not be amended except in writing, signed by both parties, unless otherwise provided for within this Agreement. The parties hereto agree that any amendments that may be necessary to achieve or maintain compliance with any regulatory program that may apply to the subject of this Agreement shall be made as soon as practicable, provided, however, either party may elect to terminate this Agreement rather than agree to any amendment unless such amendment applies to Byproduct Material already disposed of at the White Mesa Mill, in which case the necessary amendment shall be made.

21. **HEADINGS.** The paragraph headings used in this Agreement are for convenience only, and shall not be deemed part of this Agreement nor used in its interpretation or construction.

22. **ARBITRATION.** Any controversy or claim arising out of or relating to this Agreement or the breach thereof shall be resolved in accordance with the Commercial Arbitration Rules of the American Arbitration Association by one arbitrator. The selection of the Arbitrator shall be in accordance with such rules. The Arbitrator's decision shall be final and binding upon the parties hereto; and judgment upon the award may be entered in any court having jurisdiction. The parties shall each pay one-half of the fees and expenses of the Arbitrator except for all fees

and expenses of its own witnesses and counsel. The arbitration shall be held in Denver, Colorado. Disputes shall not interrupt operations or other actions contemplated herein.

23. **COSTS AND ATTORNEY FEES.** Except to the extent that such will be considered liquidated damages payable to Shipper under Paragraph 24 and/or to the extent a matter is submitted to arbitration under Paragraph 22, if it is necessary for either party to obtain legal representation to enforce any provision of this Agreement, the non-prevailing party agrees to bear the court costs and reasonable attorney fees of the prevailing party.

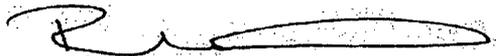
24. **LIMITATIONS OF REMEDY.** The parties agree that neither party shall be liable for any incidental and/or consequential damages of any nature claimed by the other party. If DUSA is unable for any reason, except as a result of a breach of this Agreement by Shipper or an event of force majeure, to accept delivery and dispose of Byproduct Material of Shipper, Shipper's sole remedy in such an instance shall be a refund of any advance payments and costs incurred by Shipper for pending shipments, including transport costs from the Project to the White Mesa Mill and from the White Mesa Mill to the Project or another licensed disposal facility. Refund of such amount shall be considered as constituting liquidated damages, including any and all incidental and/or consequential damages that might be claimed by Shipper. The parties agree that such a refund is reasonable compensation, and not a penalty, for the reason that actual damages, if any that might be sustained by Shipper are uncertain and would be difficult to ascertain.

25. **FORCE MAJEURE.** Except for both parties' indemnification, the obligations of confidentiality and Shipper's obligations to make payments, the obligations of either party shall be suspended to the extent, and for the period that performance is prevented by any cause, whether foreseeable or unforeseeable, beyond its reasonable control, including, without limitation, labor disputes (however arising and whether or not employee demands are reasonable or within the power of the party to grant), acts of God; laws, regulations, orders, proclamations, instructions or requests of any government or governmental entity whether federal, state or local; acts of war or conditions arising out of or attributable to war, whether declared or undeclared, terrorism, riot, civil strife, disobedience, insurrection or rebellion, fire, explosion, earthquake, storm, flood, sink holes, drought or other adverse weather condition, or any other cause whether similar or dissimilar to the foregoing, but specifically excluding increases in the costs of transportation or handling of Byproduct Materials. The affected party shall promptly give notice to the other party, as appropriate of the suspension of performance, stating therein the nature of the suspension, the reasons therefor, and the expected duration thereof. The affected party shall resume performance as soon as reasonably possible.

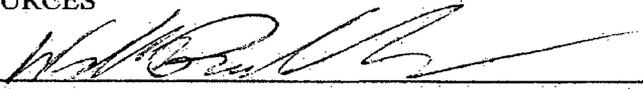
26. **BOOKS AND RECORDS.** Each party shall keep complete and accurate books and records respecting all matters covered by this Agreement, including without limitation, records of the quantities and disposition of all Byproduct Materials, which shall be open for inspection by the other party during business hours.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the day and year first set forth above.

DENISON MINES (USA) CORP.

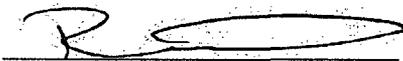
By:   
Ron F. Hochstein, President and Chief Executive Officer

CROW BUTTE RESOURCES, d/b/a CAMECO  
RESOURCES

By:   
Paul Goranson, President

By signing below, Denison White Mesa, LLC fully and unconditionally guarantees the timely and complete performance of all of DUSA's obligations under this Agreement.

Denison White Mesa, LLC

By: 

Title: \_\_\_\_\_  
Ron F. Hochstein,  
President and Chief Executive Officer

**CAMECO RESOURCES  
CROW BUTTE OPERATION**



**86 Crow Butte Road  
P.O. Box 169  
Crawford, Nebraska 69339-0169**

**(308) 665-2215  
(308) 665-2341 – FAX**

July 12, 2010

Mr. Keith I McConnell, Deputy Director  
Decommissioning and Uranium Recovery Licensing Directorate  
Division of Waste Management and Environmental Protection  
Office of Federal and State Materials and Environmental Management Programs  
Mailstop T8-F5  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

Subject: Source Materials License SUA-1534  
Docket No. 40-8943  
Monitor Well Excursion – CM8-12

Dear Mr. McConnell:

On July 22, 2010 during routine biweekly water sampling of Cameco Resources, Crow Butte Operation (CBO) commercial monitor well CM8-12, the single control limit (SCL) for alkalinity and the multiple control limits (MCL) for conductivity and chloride were exceeded. . As required by License Condition 11.2 of Source Materials License SUA-1534, a second sample was collected from CM8-12 within 48 hours and analyzed for the three excursion indicator parameters. The results of the second sample also exceeded the control limits as described above.

CBO notified Mr. Ron Burrows of the excursion at 1:00 PM on July 9, 2010 via voicemail and email as required in License Condition 9.2. Laboratory results for the sample analysis for CM8-12 are attached. In addition, graphs are attached for the three excursion indicator parameters and water levels that cover the period from October 28, 2009 to July 9, 2010.

The excursion indicator parameters in CM8-12 turned sharply upward on June 23, 2010. In response, CBO turned off 40 gpm of injection and added 29 gpm of production in the area adjacent to CM8-12. This caused the water level in CM8-12 to drop 13 feet between June 23 and July 8. On July 8, 2010, an additional 44 gpm of injection was turned off and an additional 35 gpm of production was turned on causing the water level to drop another 10 feet. This additional bleed has caused the excursion

**CAMECO RESOURCES  
CROW BUTTE OPERATION**



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Mr. Keith I McConnell  
July 12, 2010  
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parameters to start trending back down. CBO believes the corrective actions currently in place will successfully recover the mining solution.

In accordance with License Condition 11.2, CBO has increased the sampling frequency for CM8-12 to weekly until three consecutive weekly samples are below the exceeded UCLs. CBO will continue weekly sampling for an additional three weeks after this goal has been achieved as required by CBO's NDEQ Class III UIC Permit requirements. If the well has not exceeded the UCLs after these samples, it will be returned to normal status.

If you have any questions or require any further information, please do not hesitate to call me at (308) 665-2215 ext 114.

Sincerely,  
CAMECO RESOURCES  
CROW BUTTE OPERATION

Larry Teahon  
SHEQ, Manager

Enclosures: As Stated

cc: Mr. Ronald Burrows – Project Manager  
Mr. Joe Brister – Cheyenne Office  
CBO - File

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# Crow Butte Project Monitor Well Laboratory Report

Sample Date 7/8/2010

Analysis Date 7/8/2010

Well ID	Alkalinity			Conductivity			Chloride		
	(mg/L)	Alk SCL	Alk MCL	(µmho/cm)	Cond SCL	Cond MCL	(mg/L)	Cl SCL	Cl MCL
CM10-1	314	469	391	1860	2822	2352	191	305	254
CM10-2	312	474	395	1870	2707	2256	191	262	218
CM10-3	308	474	395	1870	2736	2280	191	266	222
CM10-4	307	468	390	1880	2794	2328	199	288	240
CM10-5	370	464	386	2110	3082	2568	223	389	324
CM10-6	331	482	402	1960	2750	2292	206	281	234
CM10-7	311	482	402	1900	2765	2304	199	278	232
CM5-23	296	433	361	1930	2916	2430	195	317	264
CM5-24	298	383	319	1950	2887	2406	199	317	264
CM5-25	288	438	365	1960	2982	2485	184	314	262
CM5-26	297	433	361	1950	2900	2417	195	302	252
CM5-27	299	445	371	1970	2974	2478	195	320	266
CM7-13	291	436	364	1940	2841	2368	195	287	239
CM7-14	291	422	352	1950	2772	2310	195	274	228
CM7-15	295	432	360	1950	2822	2352	199	284	236
CM7-16	297	441	367	1960	2831	2359	195	281	234
CM8-12	531	461	384	2690	3038	2532	269	305	254
SM10-1	275	469	391	670	994	828	13	37	31
SM10-10	240	353	294	540	792	660	8.5	30	25
SM10-11	250	373	311	610	835	696	11	30	25
SM10-12	251	415	346	620	850	708	11	31	26
SM10-13	230	350	292	530	778	648	8.9	30	25
SM10-14A	233	366	305	550	806	672	9.6	29	24
SM10-15	245	353	294	540	763	636	9.2	28	23
SM10-2	222	338	282	510	763	636	7.4	24	20

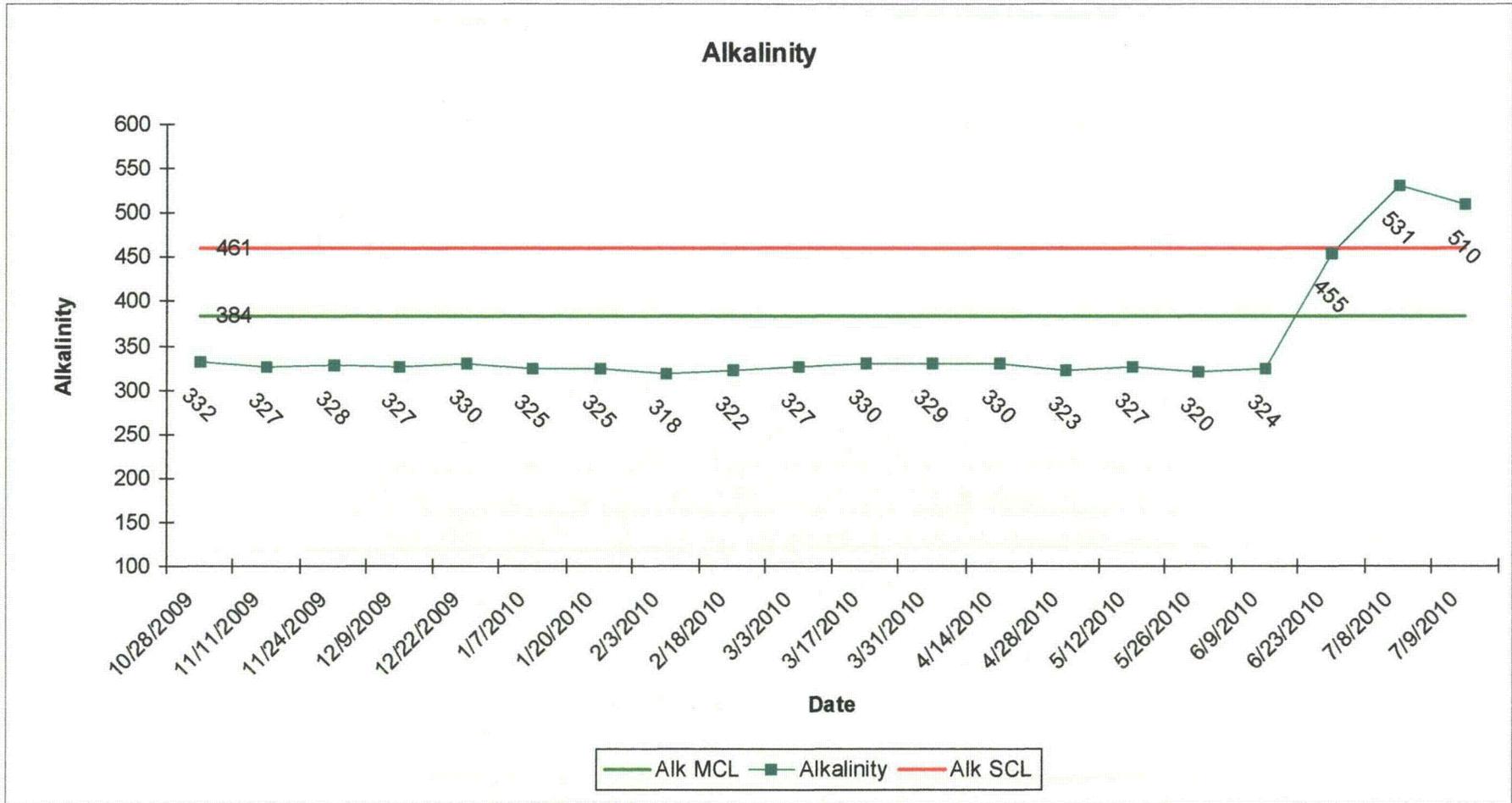
WJ  
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# Crow Butte Project Monitor Well Laboratory Report

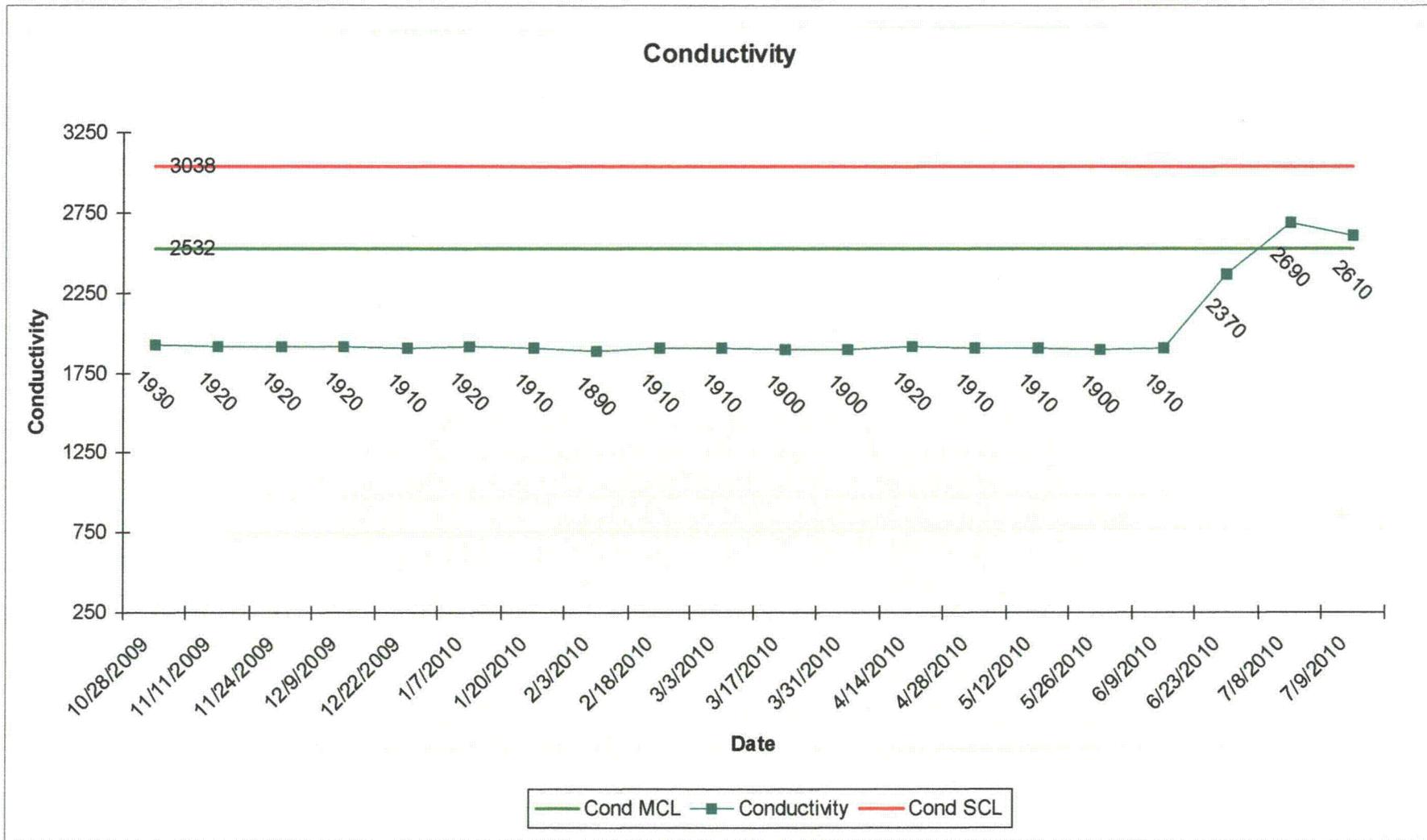
Sample Date 7/9/2010  
Analysis Date 7/8/2010

Well ID	Alkalinity			Conductivity			Chloride		
	(mg/L)	Alk SCL	Alk MCL	(µmho/cm)	Cond SCL	Cond MCL	(mg/L)	Cl SCL	Cl MCL
BOW96-1	222	314	262	510	791	659	7.1	24	20
CM6-2	302	436	364	1980	2822	2352	195	279	233
CM6-28	312	449	374	1850	2894	2412	184	307	256
CM6-29	307	448	373	1910	3024	2520	195	321	268
CM6-3	292	441	367	1930	2808	2340	191	269	224
CM6-30	314	459	383	1880	2952	2460	188	328	274
CM6-31	315	464	386	1900	2851	2376	188	301	251
CM6-32	303	461	384	1910	2981	2484	191	292	244
CM8-12	510	461	384	2610	3038	2532	269	305	254
CM8-24	318	458	382	1850	2971	2484	188	278	232
CM8-25	314	449	374	1860	3355	2796	188	357	298
CM9-1	301	482	402	1880	2837	2364	197	288	240
CM9-10	296	359	299	1810	2390	1992	191	292	244
CM9-2	297	439	366	1840	2779	2316	197	297	247
CM9-3	300	448	373	1870	2664	2220	199	266	222
CM9-4	319	464	386	1960	3067	2556	209	383	319
CM9-5	299	449	374	1820	2952	2460	191	328	274
CM9-6	297	449	374	1810	3082	2568	191	377	314
CM9-7	294	464	386	1810	2808	2340	191	285	238
CM9-8	294	418	348	1820	2952	2460	188	366	305
CM9-9	302	475	396	1830	2923	2436	191	334	278
SM10-30	241	359	299	540	778	648	7.1	25	21
SM10-31	230	340	283	520	734	612	6.4	25	21
SM10-32	232	340	283	520	734	612	6	23	20
SM8-17	230	331	276	530	848	707	7.4	24	20

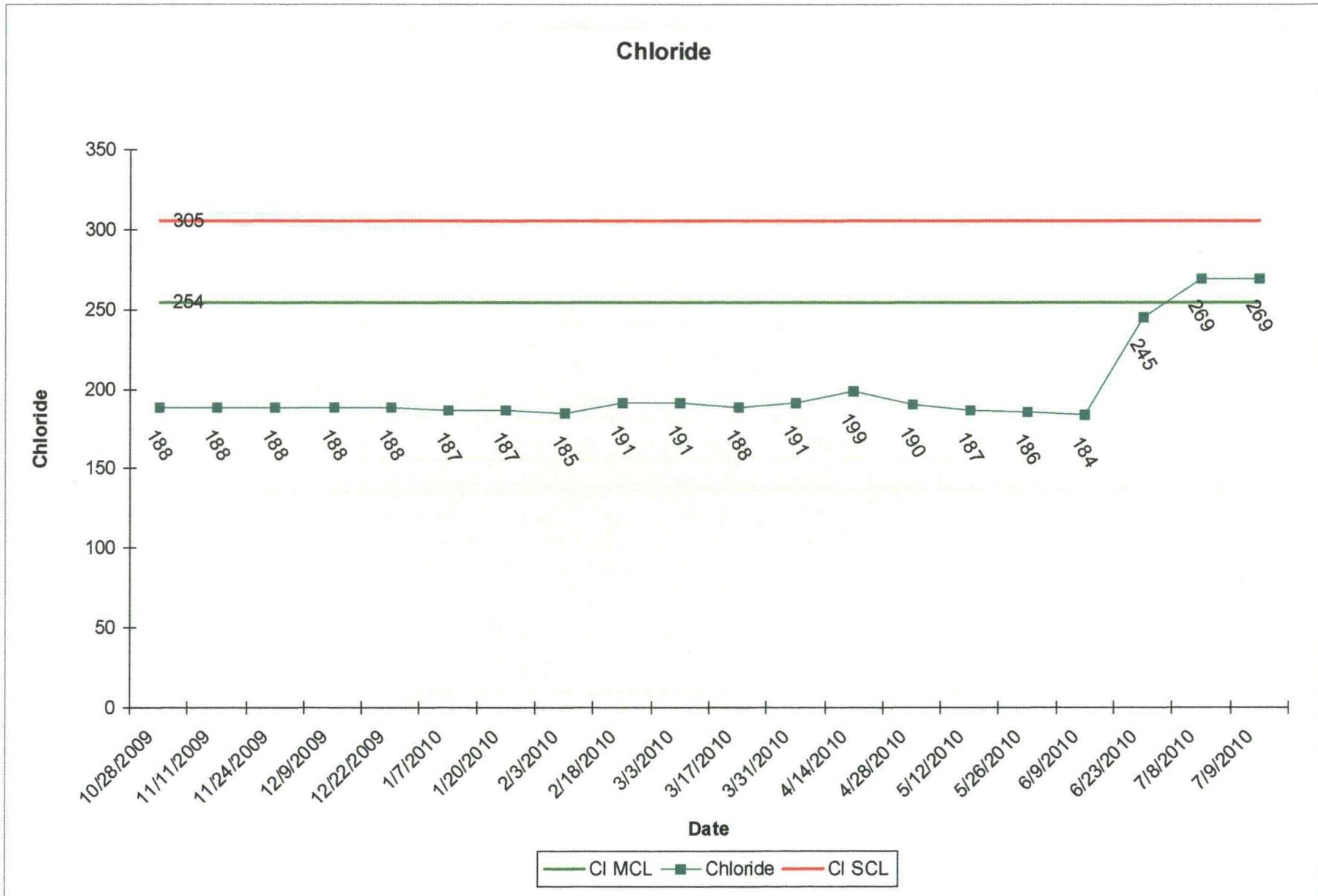
# CM8-12



# CM8-12



# CM8-12



# CM8-12

