

Denison Mines Corp. (DML, DNN)

Phoenix ISR Project Now Construction Ready

Event

Denison Mines announced last Friday (January 2nd) that pending final regulatory approvals, it is ready to make a final investment decision (FID) and begin construction of the Phoenix ISR uranium mine, located in the Athabasca Basin. Denison confirmed a two-year construction timeline and updated the initial capital cost estimate to reflect a modest 20% increase since the 2023 Phoenix Feasibility Study.

Details

- **Construction of the Phoenix ISR Project Ready to Begin** – On the cusp of final regulatory approval and ultimate FID, Denison's nearly decade long journey with the Phoenix ISR project has finally culminated with it being construction ready today and set to become the Athabasca Basin's first ISR uranium mine. The company has already secured the necessary provincial approvals to conduct certain earthworks while the procurement process for the planned 2026 construction start is nearly complete. Detailed design engineering for the project is substantially complete with approximately 87% total engineering complete to date.
- **Updated Capital Cost Estimate** – After accounting for increases in inflation, cost increases, and project refinements, Denison now estimates the total post-FID initial capital estimate for the Project to be approximately \$600M at a Class 2 cost estimate level of precision. When adjusting for inflation, updated initial capital costs have increased by 20% relative to the 2023 Phoenix Feasibility Study. Note that the updated capital cost estimate includes \$65M in contingency funds and owners' reserves. Just as importantly, the construction timeline has been maintained at ~24 months. A notable refinement to the 2023 Phoenix FS is the planned installation of large diameter wells throughout the Phase 1 mining area to enable each well to act as an injection or recovery well.

Conclusion

Given the numerous material catalysts expected over the course of this quarter, we maintain our positive view on the company and congratulate management on all the milestone achievements spanning nearly a decade (since the Phoenix ISR decision was taken) to get to this point. We have fine-tuned our model assumptions using the updated project cost estimates as a guide. Using a LT uranium price of \$90/lb, we increase our targeted NAV multiple from 1.30x to 1.40x given all the recent project developments. As such, our 12-month price objective increases to C\$4.75 per share (rounded), from C\$4.40 previously. Our price objective equates to upside of +15% from the most recent close on January 2. Shares of Denison Mines currently trade at a 1.23x P/NAV multiple. The full details can be found [here](#):

Company Profile

Sector	Mining
Sub-Sector	Uranium
Ticker	DNN
Ticker	DML-T
Current Price (C\$)	\$4.14
12-Mth Price Objective (C\$)	\$4.75
Potential Upside	15%
Mkt Cap, Basic (C\$M)	\$3,271
Mkt Cap, FD (C\$M)	\$3,312
EV (C\$M)	\$3,414
Shares O/S Basic (M)	896.57
1-Mth Return	+14.4%
3-Mth Return	+7.0%
YTD Return	+13.7%

Proven & Probable Reserves Grade U3O Attrib. lbs

Wheeler River	3.53%	103.9M
Measured & Indicated	Grade U3O Attrib. lbs	
Wheeler River	3.30%	125.5M
McClean Lake	2.22%	3.9M
Midwest	2.26%	12.8M
JCU Assets	0.70%	32.9M
THT Waterbury	2.00%	12.8M
Inferred Resources	Grade U3O Attrib. lbs	
McClean Lake	0.68%	1.6M
Midwest	0.98%	4.6M
JCU Assets	1.41%	8.8M
THT Waterbury	0.96%	5.8M

Company Description

Denison Mines is an exploration/development stage company focused on advancing uranium projects located primarily in northern Saskatchewan's Athabasca Basin. The flagship Wheeler River Project is home to one of the highest grade uranium deposits globally.

2-Year Stock Chart



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