

Denison Announces Positive Arbitration Ruling Related to Sale of Mongolian Assets

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TORONTO, July 30, 2020 - [Denison Mines Corp.](#) ("Denison" or the "Company") (TSX: DML) (NYSE American: DNN) is pleased to announce the London Court of International Arbitration ("LCIA") has recently rendered a final award in favour of Denison for the previously disclosed arbitration proceedings between the Company and Uranium Industry a.s. ("UI") related to the 2015 sale by Denison to UI of its mining assets and operations located in Mongolia. View PDF version

The arbitration panel declared that UI violated its obligations to the Company under the related agreements, and ordered UI to pay the Company USD\$10,000,000 plus interest at a rate of 5% per annum from November 16, 2016, plus certain legal and arbitration costs. The arbitration panel further dismissed all other claims and counterclaims.

Background

In November 2015, the Company completed the sale of its mining assets and operations located in Mongolia to UI pursuant to an amended and restated share purchase agreement (the "GSJV Agreement"). The primary assets at that time were the exploration licenses for the Hairhan, Haraat, Gurvan Saihan and Ulzit projects. On September 20, 2016, the Mineral Resources Authority of Mongolia formally issued mining license certificates for all four projects, triggering Denison's right to receive additional post-closing contingent consideration of USD\$10,000,000 (collectively, the "Mining License Receivable"). The original due date for payment of the Mining License Receivable by UI was November 16, 2016.

Under an extension agreement between UI and the Company, the payment due date of the Mining License Receivable was extended from November 16, 2016 to July 16, 2017 (the "Extension Agreement"). As consideration for the extension, UI agreed to pay interest on the Mining License Receivable amount at a rate of 5% per year, payable monthly up to July 16, 2017 and they also agreed to pay a USD\$100,000 instalment amount towards the balance of the Mining License Receivable amount. The required payments were not made. The Company served notice to UI on February 24, 2017, that it was in default of its obligations under the GSJV Agreement and the Extension Agreement and that the Mining License Receivable and all interest payable thereon were immediately due and payable.

On December 12, 2017, the Company then filed a Request for Arbitration between the Company and UI under the Arbitration Rules of the LCIA in conjunction with the default of UI's obligations under the GSJV Agreement and Extension Agreement. The three person arbitration panel was appointed on February 28, 2018, with in-person hearings held in December 2019. The arbitration panel's findings were issued on July 27, 2020.

About Denison

Denison is a uranium exploration and development company with interests focused in the Athabasca Basin region of northern Saskatchewan, Canada. The Company's flagship project is the 90% owned Wheeler River Uranium Project, which is the largest undeveloped uranium project in the infrastructure rich eastern portion of the Athabasca Basin region of northern Saskatchewan. Denison's interests in Saskatchewan also include a 22.5% ownership interest in the McClean Lake Joint Venture ("MLJV"), which includes several uranium deposits and the McClean Lake uranium mill, which is contracted to process the ore from the Cigar Lake mine under a toll milling agreement, plus a 25.17% interest in the Midwest deposits and a 66.71% interest in the J Zone and Huskie deposits on the Waterbury Lake property. The Midwest, J Zone and Huskie deposits are located within 20 kilometres of the McClean Lake mill. In addition, Denison has an extensive portfolio of exploration projects in the Athabasca Basin region.

