



# TARGET'S STATEMENT

by

**OMEGACORP LIMITED**  
(ABN 60 094 212 307)

in relation to the offer by

**DENISON MINES CORP.**

**TO ACQUIRE YOUR SHARES IN  
OMEGACORP LIMITED**

**OmegaCorp's Directors Unanimously Recommend  
That You**

# ACCEPT

**Denison's Offer  
in the absence of a superior offer**

**THIS IS AN IMPORTANT DOCUMENT**

If you do not understand it or are in doubt as to how to act, you should consult your lawyer, accountant, stockbroker or financial adviser immediately.

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## **IMPORTANT INFORMATION**

This is an important document. If you do not understand it or are in doubt as to how to act, you should consult your lawyer, accountant, stockbroker or financial adviser immediately.

### ***Nature of this document***

This Target's Statement is dated 25 January 2007 and is given under section 638 of the Corporations Act by OmegaCorp in response to the Bidder's Statement dated 23 January 2007 and served on OmegaCorp by Denison on 23 January 2007.

### ***ASIC Disclaimer***

A copy of this Target's Statement has been lodged with the Australian Securities and Investments Commission. Neither the Australian Securities and Investments Commission nor any of its officers take any responsibility for the content of this Target's Statement.

### ***No account of personal circumstances***

The recommendations of the OmegaCorp Directors obtained in this Target's Statement do not take into account the individual investment objectives, financial situation or particular needs of each OmegaCorp Shareholder. You may wish to seek independent professional advice before making a decision as to whether to accept or not to accept the Offer.

### ***Defined terms***

Various defined terms are used in this Target's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in section 8 of this Target's Statement, words and phrases in this Target's Statement have the same meaning and interpretation as in the Corporations Act.

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## KEY POINTS

- Denison is offering \$1.10 for each of your OmegaCorp Shares.
- Each of OmegaCorp's Directors consider that Denison's Offer for your OmegaCorp Shares is fair and reasonable and recommend that, in the absence of a superior offer, you **ACCEPT** the Offer.
- Denison's Offer is subject to a number of conditions, including approval by the Foreign Investment Review Board and no material adverse change in the condition of OmegaCorp.
- Unless extended or withdrawn beforehand, Denison's Offer will expire on 28 February 2007.
- Each of OmegaCorp's Directors intend, in the absence of a superior offer, to accept the Offer for all of the OmegaCorp Shares in which they have a relevant interest.

## IMPORTANT DATES

Date of Denison's Bidder's Statement	23 January 2007
Date of this Target's Statement	25 January 2007
Date of Denison's Offer	1 February 2007
Close of Denison's Offer Period (unless extended or withdrawn)	5pm (Adelaide, South Australia Time) on 28 February 2007

# Letter from the Managing Director of OmegaCorp

25 January 2007

Dear Shareholder

On 6 December 2006 Denison Mines Corp. announced a takeover bid for OmegaCorp Limited. On 23 January 2007 Denison delivered its Bidder's Statement to OmegaCorp. The Bidder's Statement is dispatched to OmegaCorp Shareholders with this Target's Statement.

Denison's Offer valued a OmegaCorp Share at \$1.10, a premium of approximately 25% to the volume weighted average price ("VWAP") for OmegaCorp Shares in the 20 trading days prior to the Offer being announced.

The Board of OmegaCorp have made the unanimous decision to recommend the Offer, in the absence of a superior offer. The recommendation is based on a number of factors, including the following:

1. The Offer provides OmegaCorp Shareholders with the opportunity to realise the benefit from the Company's wholly owned Kariba Project sooner than if the Company sought to develop the Kariba Project itself.
2. The Offer allows OmegaCorp to advance its Mavuzi Project and Meponda Project through an initial public offer and listing on ASX. Eligible Shareholders will have a priority entitlement in the IPO.
3. The Offer represents a significant premium to OmegaCorp's recent trading value prior to the Offer being announced.

When assessing whether to accept the Offer you should be aware that the Offer is subject to a number of conditions, including FIRB approval. Denison must by 21 February 2007 (or a later day as determined by the Corporations Act if the Offer Period is extended) give a notice on the status of those conditions.

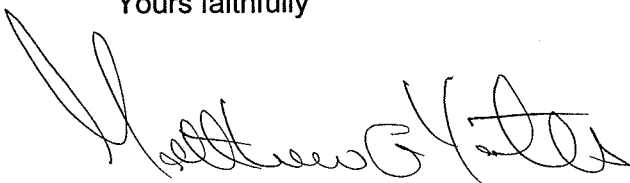
You should also consider the taxation implications of the Offer which are outlined in section 6.1 of this Target's Statement.

Each Director intends to accept the Offer for their own shareholding in the absence of a superior offer.

To accept the Offer you should carefully follow the instructions in the Bidder's Statement. The Offer is due to close on 5pm (South Australia time) on 28 February 2007.

If you have any questions in relation to your position as a Shareholder I encourage you to seek either financial or legal advice without delay.

Yours faithfully



Matthew Yates  
Managing Director, OmegaCorp Limited

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# 1. Recommendations of the OmegaCorp Directors

## 1.1 Summary of the Offer

The consideration being offered by Denison under the Offer is \$1.10 for each OmegaCorp Share you own.

The Offer is subject to a number of conditions which are summarised in section 4.2 of this Target's Statement.

## 1.2 Directors' Recommendation

Each of OmegaCorp's Directors unanimously recommend that, in the absence of a superior offer, you accept Denison's Offer for your OmegaCorp Shares.

In making this recommendation, each of OmegaCorp's Directors have considered the merits of Denison's Offer and weighed up the factors for and against acceptance.

### **The key considerations in favour of accepting the Offer are:**

(a) Premium to OmegaCorp Shareholders

The price being offered by Denison values an OmegaCorp Share at \$1.10, representing a premium of approximately 25% over the VWAP of OmegaCorp Shares on the ASX over the 20 trading day period to 6 December 2006. OmegaCorp's Directors are not aware of any transactions in OmegaCorp Shares which may have had the effect of inflating this premium.

(b) Potential for dilution

The continued assessment of OmegaCorp's projects in the future will require additional finance through equity or debt or a combination of both. Depending on market conditions at the time, OmegaCorp may not be able to raise the necessary capital on acceptable terms and any required capital raisings could result in a substantial dilution of existing Shareholders' interests.

(c) Increased development and construction certainty

OmegaCorp is an exploration company with an inferred JORC resource of 13.7 million pounds U<sub>3</sub>O<sub>8</sub> at its wholly owned Kariba Project in Zambia. Whilst the Company is committed to developing the Project and an early cash flow, a significant amount of advanced stage exploration work will be required in order to lift the category of the inferred JORC resource to a proven reserve under the JORC code. The Company will bear a significant amount of additional risk if it undertakes this advanced stage exploration itself. Furthermore, to complete this work the Company will need to employ a number of mining industry experts which will be extremely difficult for an organisation of OmegaCorp's size given that the industry is currently experiencing a worldwide skills shortage.

(d) No brokerage

Shareholders will not incur any brokerage or other transaction costs in accepting the Offer.



- (e) OmegaCorp Share prices may fall following Denison's bid

It is possible that the market price and trading volumes of OmegaCorp Shares will, if Denison acquires less than 90% of OmegaCorp's Shares, fall at least in the short term, to or below the level at which they were trading before the announcement of the Offer.

- (f) OmegaCorp Directors are unaware of a superior offer

The Directors of OmegaCorp are not aware of any superior offer that may be made to Shareholders.

- (g) Mavuzi IPO

Eligible Shareholders will have a priority entitlement under the IPO of Mavuzi on the basis of 1 Mavuzi Share for every 5 OmegaCorp Shares held at the Relevant Date. Accepting the Offer will not affect this entitlement.

- (h) Potential disadvantages if you do not accept

Denison may become a controlling Shareholder in OmegaCorp which may have several adverse consequences for OmegaCorp's minority Shareholders including that the market for OmegaCorp Shares will be less liquid and/or less active, potentially making it more difficult to sell your OmegaCorp Shares in the future.

**The key considerations in favour of not accepting the Offer are as follows:**

- (a) Reduced exposure to exploration potential of OmegaCorp assets

OmegaCorp has significant exploration potential and upside, in which the participation of Shareholders may be diluted if they accept Denison's Offer. However, this has to be weighed against the dilution which is likely to occur in any event if OmegaCorp remains an independent company and has to raise working capital to fund its projects through further equity raisings.

- (b) Inability to accept a superior offer if one was to emerge

Except in the limited circumstances provided for in the Corporations Act, accepting Denison's Offer will preclude Shareholders from accepting a superior bid from a third party, should one emerge during the Offer Period. As at the date of this Target's Statement, OmegaCorp's Directors are not aware of a proposal by anyone to make a superior bid.

Accepting the Offer would also preclude a Shareholder from selling their OmegaCorp Shares on market.

Accepting Denison's Offer will not, however, deny a Shareholder the benefit of any superior price offered by Denison which, under the Corporations Act, is required to be extended to all Shareholders, including those who have already accepted Denison's Offer. As at the date of this Target's Statement, Denison has given no indication that it intends to increase its Offer price.

### **1.3 Directors' intentions in relation to the Offer**

Each OmegaCorp Director who has a relevant interest in OmegaCorp Shares intends, in the absence of a superior offer, to accept the Offer in respect of those OmegaCorp

Shares. The interests of each OmegaCorp Director in OmegaCorp Shares are set out in section 5.1 of this Target's Statement.

#### **1.4 Further Developments**

Should there be any developments during the Offer Period (for example, the emergence of a superior offer from Denison or another bidder) which would alter the Directors' recommendations in relation to Denison's Offer, Shareholders will be notified through a supplementary Target's Statement.

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## **2. Important information for Shareholders to consider**

### **2.1 The Offer**

Denison announced its intention to make a takeover bid for OmegaCorp on 6 December 2006. A summary of the Offer is in section 4 of this Target's Statement and section 9 of the Bidder's Statement. The Offer is open for acceptance until 5pm (South Australia time) on 28 February 2007, unless the Offer is extended or withdrawn.

### **2.2 Background information on OmegaCorp**

OmegaCorp is a Western Australian based resource company holding interests in a number of mineral exploration projects in southern Africa. OmegaCorp listed on the ASX in August 2004.

The current Directors of OmegaCorp are:

- (a) Mr Ian Middlemas
- (b) Mr Matthew Yates
- (c) Mr Mark Pearce
- (d) Mr Glenn Whiddon

As at the date of this Target's Statement OmegaCorp presently has cash reserves of approximately \$10.3 million, no debt and 144,860,060 Shares on issue.

### **2.3 Current business activities of OmegaCorp**

During 2006, the Company has focussed its exploration activities on its two key projects in southern Africa:

#### **Kariba Uranium Project – Zambia**

The Company's key project is its wholly owned Kariba Uranium Project ("KUP" or "Project") in Zambia for which it recently announced the final results of a scoping study (refer ASX announcement dated 13 November 2006). The study indicated the potential economic viability of the Project and its capacity to operate with strong cash margins. The Project can support the production of 1.5 million pounds of U<sub>3</sub>O<sub>8</sub> per annum at an initial operating cost of US\$23 per pound.

Results from a drilling program that is nearing completion are expected during the March 2007 quarter. The drilling aims to lift the resource category of the known areas of mineralisation, provide material for continuous metallurgical test work and identify additional areas of mineralisation. The JORC compliant resource for the KUP is currently 13.7 million pounds U<sub>3</sub>O<sub>8</sub> with metallurgical recoveries of approximately 90% recorded from metallurgical test work results using an alkali leach.

The prospecting licence covering the KUP was recently renewed for a further two years.

#### **Mavuzi Project – Mozambique**

OmegaCorp's previous exploration focus at Mavuzi has been open pitable, disseminated uranium mineralisation. Regional studies including mapping, stream

sediment and soil sampling have identified a new prospect area – Beau Viseau. This prospect has revealed anomalous uranium, gold and copper, which may have iron-oxide-copper-gold affinities.

An airborne magnetic and radiometric survey was recently flown over the entire project area of 700 square kilometres. Results of the survey are expected to be available during the March 2007 quarter.

## **2.4 Mavuzi IPO**

As announced on 6 December 2006 OmegaCorp proposes to spin-off its Mavuzi Project through an initial public offer and listing on ASX of Mavuzi, a wholly owned subsidiary of OmegaCorp ("**Mavuzi IPO**"). OmegaCorp announced further details of the Mavuzi IPO on 22 January 2007.

Under the Mavuzi IPO:

- (a) OMC MOZ, OmegaCorp's wholly owned Mozambique subsidiary that owns the Mavuzi and Meponda Projects will be transferred to Mavuzi.
- (b) Denison will acquire the rights to uranium on the Mavuzi and Meponda Projects (ownership of those projects remaining with OMC MOZ). Mavuzi and Denison will also enter into a strategic alliance for 3 years during which Denison will have a first right of refusal to acquire on commercial terms 100% of the rights to uranium on any other properties acquired by Mavuzi if they are offered for sale.
- (c) Mavuzi will offer approximately 44 million Mavuzi Shares each at \$0.20 as follows:
  - (i) Eligible Shareholders will have a priority entitlement to subscribe for 1 Mavuzi Share for every 5 OmegaCorp Shares held as at the Relevant Date, with 1 Mavuzi Listed Option for every 2 Mavuzi Shares subscribed for; and
  - (ii) Denison will have a priority entitlement to subscribe for 5 million Mavuzi Shares, with 1 Mavuzi Listed Option for every 2 Mavuzi Shares subscribed for.
  - (iii) A further 8 million Mavuzi Shares (with up to a further 8 million Mavuzi Shares in oversubscription), with 1 Mavuzi Listed Option for every 2 Mavuzi Shares subscribed for, will be offered to the public.
- (d) Mavuzi will apply for quotation of its securities on ASX.

A prospectus (which will have an application form attached that will need to be completed) will be made available when Mavuzi Shares are offered under the IPO.

The IPO will be managed by three of OmegaCorp's current directors, Messrs Ian Middlemas, Matthew Yates and Mark Pearce. No assurance is given that the IPO will be completed or that Mavuzi will be admitted to the Official List of the ASX.

## **2.5 Value of the Offer**

The consideration is \$1.10 per OmegaCorp Share.

## **2.6 Minority ownership consequences**

Denison's Offer is not subject to a minimum acceptance condition.

If the conditions of Denison's bid are fulfilled or freed Denison may acquire the majority of the OmegaCorp Shares. This may have a number of possible implications for OmegaCorp Shareholders, including:

- (a) Denison will be in a position to cast the majority of votes at a general meeting of OmegaCorp. This will enable it to control the composition of OmegaCorp's Board and senior management, determine OmegaCorp's dividend policy and control the strategic direction of the businesses of OmegaCorp and its subsidiaries;
- (b) the OmegaCorp Share price may fall immediately following the end of the Offer Period and it is unlikely that OmegaCorp's Share price will contain any takeover premium;
- (c) the liquidity of OmegaCorp Shares may be lower than at present;
- (d) if the number of OmegaCorp Shareholders is less than that required by the ASX Listing Rules to maintain an ASX listing then Denison may seek to have OmegaCorp removed from the official list of the ASX. If this occurs, OmegaCorp Shares will not be able to be bought or sold on the ASX; and
- (e) if Denison acquires 75% or more of the OmegaCorp Shares it will be able to pass a special resolution of OmegaCorp. This will enable Denison to, among other things, change OmegaCorp's constitution.

If Denison does proceed to compulsory acquisition, then OmegaCorp Shareholders who do not accept the Offer will still be entitled to receive the bid consideration. However, as a result of the need to complete the compulsory acquisition procedures set out in the Corporations Act, there is likely to be a delay of up to six weeks in the provision of that consideration, and therefore payment to OmegaCorp Shareholders. See section 4.13 for further information.

## **2.7 Dividend issues for OmegaCorp Shareholders**

OmegaCorp has not paid a dividend to Shareholders since listing on the ASX. As an exploration company, the Directors consider it unlikely that OmegaCorp will pay dividends in the foreseeable future if the Company continues as a stand alone entity with its current business composition.

## **2.8 Other alternatives to the Offer**

As at the date of this Target's Statement, no offers (other than Denison's Offer) have been made to acquire your OmegaCorp Shares.

## **2.9 OmegaCorp's Share price absent the Offer**

While there are many factors that influence the market price of OmegaCorp Shares, the Directors anticipate that, following the close of the Offer the market price of OmegaCorp Shares may fall if Denison's Offer fails, if Denison acquires more than 50% (but less than 90%) of the OmegaCorp Shares or if the Offer is otherwise unsuccessful.

## **2.10 Taxation consequences of a change in control in OmegaCorp**

The taxation consequences of accepting the Offer depends on a number of factors and will vary depending on your particular circumstances. A general outline of the Australian taxation considerations of accepting the Offer are set out in section 6.1 of this Target's Statement and section 6 of the Bidder's Statement.

You should carefully read and consider the taxation consequences of accepting the Offer. The outline provided in the Bidder's Statement and the Target's Statement is of a general nature only and you should seek your own specific professional advice as to the taxation implications applicable to your circumstances.

## **2.11 Break Fee Agreement**

See section 6.3 of this Target's Statement for details of the Break Fee Agreement.

## **2.12 Company announcements**

OmegaCorp is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules of ASX.

Copies of announcements lodged with ASX can be obtained from either the ASX's website ([www.asx.com.au](http://www.asx.com.au)) or OmegaCorp's website ([www.omegacorplimited.com.au](http://www.omegacorplimited.com.au)).

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### 3. Your choices as a OmegaCorp Shareholder

**OmegaCorp's Directors recommend that you ACCEPT the Offer (in the absence of a superior proposal).**

In considering whether to accept the Offer, the Directors encourage you to seek professional advice if you are unsure as to whether acceptance of the Offer is in your best interests, taking into account your individual circumstances.

The Bidder's Statement contains important information which Shareholders are urged to read carefully. Shareholders should note that OmegaCorp has not undertaken investigations to verify the accuracy or completeness of the information contained in the Bidder's Statement and neither OmegaCorp nor its Directors or advisers makes any representation as to the accuracy or completeness of information contained in the Bidder's Statement. To the fullest extent permitted by law, each of those parties disclaims liability to any person who acts in reliance on that information.

Shareholders who would like further information on OmegaCorp or its projects before making a decision about the Offer are encouraged to exercise their right under the Corporations Act to obtain from ASIC copies of all documents lodged by OmegaCorp with ASIC or ASX (including OmegaCorp's 30 June 2006 Annual Financial Report and the September 2006 Quarterly Report). Alternatively, they can visit OmegaCorp's website at [www.omegacorplimited.com.au](http://www.omegacorplimited.com.au).

During the Offer Period you have the following choices:

#### **ACCEPT the Offer**

If you wish to accept the Offer, you should follow the instructions set out in the Bidder's Statement.

Subject to the conditions of the Offer being satisfied (including FIRB approval), you will receive \$1.10 for each of your OmegaCorp Shares.

Accepting the Offer will not affect Eligible Shareholders' priority entitlement under the Mavuzi IPO.

You should be aware that once you accept the Offer your acceptance cannot be withdrawn except in the limited circumstances listed in the Corporations Act. You should consider the timing of any acceptance of the Offer in light of the fact that a superior bid by another party may emerge which you would be precluded from accepting if you had already accepted Denison's Offer. As at the date of this Target's Statement, OmegaCorp's Directors are not aware of a proposal by anyone to make a superior bid.

**OR**

#### **REJECT the Offer**

If you wish to retain your OmegaCorp Shares, you need take no action in relation to the Offer. OmegaCorp Shareholders should note that if Denison acquires 90% of the OmegaCorp Shares, it will be entitled to compulsorily acquire the OmegaCorp Shares that it does not already own.

Persons registered as a Shareholder at the Relevant Date will not affect their priority entitlement under the Mavuzi IPO if they do not accept the Offer.

**OR**

**SELL your OmegaCorp Shares on the ASX**

You can sell your OmegaCorp Shares on the ASX. The price you will receive will depend on the prevailing market price of OmegaCorp Shares at the time of sale. You should be aware that the market price of OmegaCorp Shares may rise or fall during the Offer Period. You should also note that if you sell your OmegaCorp Shares on the ASX:

- (a) you are likely to pay brokerage on the sale;
- (b) you will not benefit from any price increase which may be offered by Denison;
- (c) you will receive payment earlier than if you accept Denison's Offer (typically, 3 business days after the sale), as opposed to receiving cash in accordance with Denison's Offer which will be at a later time; and
- (d) a sale on the ASX provides certainty, whereas a sale to Denison by accepting the Offer will be subject to the conditions of the Offer being fulfilled.

In relation to (b) above, you should note that Denison has given no indication that it intends to increase its Offer consideration.

If you sell your OmegaCorp Shares on the ASX prior to the Relevant Date and are not registered as a Shareholder at the Relevant Date you will not receive a priority entitlement under the Mavuzi IPO.

If you sell your OmegaCorp Shares on the ASX after the Relevant Date and are registered as a Shareholder at the Relevant Date you will be entitled to participate in the priority entitlement under the Mavuzi IPO.



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## 4. Key features of Denison's Offer

### 4.1 Consideration payment to Shareholders who accept the Offer

Under the Offer, the consideration being offered by Denison is \$1.10 for each OmegaCorp Share.

### 4.2 Conditions to the Offer

Denison's Offer is subject to a number of conditions. Those conditions are set out in full in section 9.8 of the Bidder's Statement. Details of any act, omission, event or fact that would result in any of the conditions to the Offer not being fulfilled by the end of the Offer Period (or 3 business days after the end of the Offer Period in the case of the condition in section 4.2(a)) are set out in Section 4.3 of this Target's Statement.

In summary, the conditions to the Offer are:

- (a) FIRB approval – Denison obtaining any necessary regulatory and shareholder approval, including any approval required under the Foreign Acquisition and Takeovers Act.
- (b) No regulatory action – Between the Announcement Date and the end of the Offer Period, no action or investigation is announced, commenced or threatened by any governmental agency or body (other than ASIC or the Takeover Panel) in relation to the Offer and which prohibits or has a material impact on the making of the Offer or requires Denison to divest any OmegaCorp Shares or any material assets of OmegaCorp.
- (c) No material adverse change – No material adverse change occurs, is announced or otherwise becomes public in the business, assets, liabilities, financial position and performance, material contracts, profitability or prospects of OmegaCorp or any of its subsidiaries between 23 November 2006 and the expiry of the Offer Period.
- (d) Change of control – Between the Announcement Date and the end of the Offer Period, there is no person having any rights, being entitled to have any rights, alleging an entitlement, or expressing or announcing an intention, as a result of any change of control event in respect of OmegaCorp (including Denison acquiring shares in OmegaCorp) or any of its subsidiaries or assets, to:
  - (i) terminate or alter any contractual relations between any person and OmegaCorp;
  - (ii) require the termination, modification or disposal of any interest or assets, corporate body, joint venture or other entity; or
  - (iii) accelerate or adversely modify the performance of any obligations of OmegaCorp under any agreements, contracts or other legal arrangement;except in respect of the Mavuzi IPO.
- (e) Between the Announcement Date and the end of the Offer Period, OmegaCorp provides Denison with all material information which Denison

may from time to time reasonably request relating to OmegaCorp or any of its subsidiaries, or their respective assets, liabilities or operations.

- (f) No prescribed occurrences – None of the prescribed occurrences in section 652C of the Corporations Act taking place or having taken place during the period commencing on 5 December 2006 and ending the date 3 business days after the end of the expiry of the Offer Period (each inclusive).

#### **4.3 Circumstances which may affect conditions**

Unless otherwise disclosed in this Target's Statement, OmegaCorp is not aware of any act, omission, event or fact that would result in any of the conditions to the Offer not being fulfilled by seven days prior to the end the Offer Period (or 3 business days after the end of the Offer Period in the case of the condition in section 4.2(f)).

#### **4.4 Notice of Status of Conditions**

Section 9.11 of the Bidder's Statement states that Denison will give a Notice of Status of Conditions to the ASX and OmegaCorp on 21 February 2007. The Notice of Status of Conditions is required by section 630(1) of the Corporations Act.

Denison is required to set out in its Notice of Status of Conditions:

- (a) whether the Offer is free of any or all of the conditions;
- (b) whether, so far as Denison knows, any of the conditions have been fulfilled; and
- (c) Denison's voting power in OmegaCorp.

If the Offer Period is extended by a period before the time by which the Notice of Status of Conditions is to be given, the date for giving the Notice of Status of Conditions will be taken to be postponed for the same period. In the event of such an extension, Denison is required, as soon as practicable after the extension, to give a notice to the ASX and OmegaCorp that states the new date for the giving of the Notice of Status of Conditions.

If a condition is fulfilled (so that the Offer becomes free of that condition) during the Offer Period but before the date on which the Notice of Status of Conditions is required to be given, Denison must, as soon as practicable, give the ASX and OmegaCorp a notice that states that the particular condition has been fulfilled.

#### **4.5 Offer Period**

Unless Denison's Offer is extended or withdrawn, it is open for acceptance from 1 February 2007 until 5pm (CST) 28 February 2007. The circumstances in which Denison may extend or withdraw its Offer are set out in sections 4.6 and 4.7 respectively of this Target's Statement.

#### **4.6 Extension of the Offer Period**

Denison may extend the Offer Period at any time before giving the Notice of Status of Conditions.

In addition, there will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period:

- (a) Denison improves the consideration offered under the Offer; or
- (b) Denison's voting power in OmegaCorp increases to more than 50%.

If either of these two events occurs, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

#### **4.7 Withdrawal of Offer**

Denison may not withdraw the Offer if you have already accepted it. Before you accept the Offer, Denison may withdraw the Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

#### **4.8 Effect of acceptance**

The effect of accepting the Offer is set out in section 9.6 of the Bidder's Statement. OmegaCorp Shareholders should read these provisions in full to understand the effect that acceptance will have on their ability to exercise the Rights attaching to their Shares and the representations and warranties which they give by accepting the Offer.

Accepting the Offer will not affect Eligible Shareholders' priority entitlement under the IPO.

#### **4.9 Your ability to withdraw your acceptance**

You only have limited rights to withdraw your acceptance of the Offer. You may only withdraw your acceptance of the Offer:

- (a) at any time prior to the Treasurer of the Commonwealth under the Foreign Acquisition and Takeovers Act either issuing a notice to the effect that the Commonwealth Government does object to Denison acquiring 100% of the OmegaCorp Shares under the Offer or being precluded from making an order in respect of the Offer; or
- (b) if Denison varies the Offer in a way that postpones, for more than one month, the time when Denison needs to meet its obligations under the Offer. This will occur if Denison extends the Offer Period by more than one month and the Offer is still subject to conditions.

#### **4.10 When you will receive your consideration if you accept the Offer**

In the usual case, you will be paid your consideration on or before the later of:

- (a) one month after the date the Offer becomes or is declared unconditional; and
- (b) one month after the date you accept the Offer if the Offer is, at the time of acceptance, unconditional,

but, in any event (assuming the Offer becomes or is declared unconditional), no later than 21 days after the end of the Offer Period.

However, there are certain exceptions to the above timetable for the issuing of consideration. Full details of when you will be paid your consideration are set out in section 9.7 of the Bidder's Statement.

#### **4.11 Effect of an improvement in consideration on Shareholders who have already accepted the Offer**

If Denison improves the consideration offered under the Offer, all OmegaCorp Shareholders, whether or not they have accepted the Offer before that improvement in consideration, will be entitled to the benefit of that improved consideration.

#### **4.12 Lapse of Offer**

The Offer will lapse if the Offer conditions are not freed or fulfilled by the end of the Offer Period; in which case, all contracts resulting from acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In that situation, you will be free to deal with your OmegaCorp Shares as you see fit.

#### **4.13 Compulsory acquisition**

Denison has indicated in section 8.9 of its Bidder's Statement that if it satisfies the required thresholds it intends to compulsorily acquire any outstanding OmegaCorp Shares. Denison will be entitled to compulsorily acquire any OmegaCorp Shares in respect of which it has not received an acceptance of its Share Offer on the same terms as the Share Offer if, during or at the end of the Offer Period:

- (a) Denison and its associates have a relevant interest in at least 90% (by number) of the OmegaCorp Shares; and
- (b) Denison and its associates have acquired at least 75% (by number) of the OmegaCorp Shares that Denison offered to acquire (excluding OmegaCorp Shares in which Denison or their associates had a relevant interest in at the date of the Offer and also excluding OmegaCorp Shares issued to an associate of Denison during the Offer Period).

If these thresholds are met, Denison will have one month after the end of the Offer Period within which to give compulsory acquisition notices to OmegaCorp Shareholders who have not accepted the Offer. OmegaCorp Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant Shareholder to establish to the satisfaction of a Court that the terms of the relevant Offer do not represent "fair value" for their OmegaCorp Shares. If compulsory acquisition occurs, OmegaCorp Shareholders who have their OmegaCorp Shares compulsorily acquired are likely to be issued their consideration approximately five to six weeks after the compulsory acquisition notices are dispatched to them.

It is also possible that Denison will, at some time after the end of the Offer Period, become the beneficial holder of 90% of the OmegaCorp Shares. Denison would then have rights to compulsorily acquire Shares not owned by it within six months of becoming the holder of 90%. Denison's price for compulsory acquisition under this procedure would have to be considered in a report of an independent expert.

#### **4.14 Broker handling fee**

Denison has agreed to pay a broker handling fee to participating organisations of ASX in respect of valid acceptances received from retail Shareholders in connection with the Offer. The stamping fee will be 0.5% of the value of the OmegaCorp Shares, with a minimum payment of \$50 per acceptance and maximum payment of \$750.

Full details of the fee are in section 9.18 of the Bidder's Statement.

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## **5. Information relating to the Directors**

### **5.1 Directors' interests in OmegaCorp and Denison Securities**

As at the date of this Target's Statement, the Directors of OmegaCorp have relevant interests in the following OmegaCorp securities:

<b>Name of Director</b>	<b>OmegaCorp Shares</b>	<b>OmegaCorp \$0.30 Options</b>
Ian Middlemas	4,800,000	-
Matthew Yates	400,000	1,800,000
Mark Pearce	114,280	-
Glenn Whiddon	1,900,000	-

As at the date of this Target's Statement, no Director of OmegaCorp has a relevant interest in any securities of Denison.

### **5.2 Directors' intentions with respect to their own OmegaCorp Shares**

Each of OmegaCorp's Directors intends, in the absence of a superior offer, to accept the Offer for all of the OmegaCorp Shares in which they have a relevant interest.

### **5.3 Transactions in OmegaCorp and Denison Securities**

There have been no acquisitions or disposals of marketable securities of OmegaCorp, or Denison by OmegaCorp, or any director or associate of a director of OmegaCorp, in the period of four months immediately preceding the date on which the Bidder's Statement was served on OmegaCorp (being 23 January 2007) except for the following:

On 15 January 2007 Glenn Whiddon exercised 1,900,000 \$0.25 Options and was issued 1,900,000 OmegaCorp Shares.

### **5.4 No benefits to Directors**

No benefit (other than a benefit permitted under sections 200E or 200F of the Corporations Act) is proposed to be given to a OmegaCorp Director (or anyone else) in connection with the Director's retirement as a director or executive of OmegaCorp.

### **5.5 Other agreements or arrangements with OmegaCorp Directors**

There is no other agreement or arrangement made between a Director of OmegaCorp and any other person in connection with or conditional upon the outcome of the Offer.

### **5.6 Interests of OmegaCorp Directors in contracts with Denison**

No Director of OmegaCorp has any interest in any contract entered into by Denison other than merely in their capacity as a shareholder of OmegaCorp.

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## **6. Other material information**

### **6.1 Taxation implications**

The Australian tax implications of Denison's Offer for OmegaCorp Shareholders will depend on a number of factors, including:

- (a) whether the Shareholder holds their OmegaCorp Shares on capital or revenue account for taxation purposes and the nature of the Shareholder (i.e. whether the Shareholder is an individual, company, trust, or complying superannuation fund); and
- (b) the tax residency status of the Shareholder (i.e. Australian resident or not).

The Australian tax consequences of the Offer for OmegaCorp Shareholders who are residents of Australia for tax purposes are summarised in section 6 of the Bidder's Statement, to which reference should be made for further information. The summary is necessarily general in nature and each Shareholder should seek independent advice relevant to their specific circumstances.

### **6.2 Effect of takeover on OmegaCorp's material contracts**

To the best of OmegaCorp's knowledge, none of the material contracts to which OmegaCorp is a party contain change of control provisions which may be triggered as a result of, or as a result of acceptances of, the Offer and which may have a material adverse effect on the assets and liabilities, financial position and performance, profits and losses and prospects of OmegaCorp.

### **6.3 Break Fee Agreement**

OmegaCorp has entered into the Break Fee Agreement with Denison that in certain circumstances provides for a payment of 1% of the equity value of OmegaCorp to Denison. Those conditions are as follows:

- (a) a competing transaction is announced and during either the Offer Period or the offer period of the competing transaction, a third party other than Denison acquires control of OmegaCorp; or
- (b) no competing transaction is announced, but a Director fails to recommend that OmegaCorp Shareholders accept Denison's Offer in the absence of a superior offer or having made such a recommendation, makes a public statement which withdraws, revises or qualifies that recommendation.

OmegaCorp will not have any liability under the Break Fee Agreement if, in the absence of a successful competing transaction, OmegaCorp's Shareholders do not accept Denison's Offer.

### **6.4 Material litigation**

As at the date of this Target Statement, the Directors were not aware of any pending litigation claims against the Company or its subsidiaries.

**6.5 Issued capital**

As at the date of this Target's Statement, OmegaCorp's issued capital consisted of 144,680,060 fully paid ordinary shares and 9,790,000 unlisted Options

**6.6 Substantial Shareholders**

At the date of this Target's Statement, the following shareholders are substantial shareholders of OmegaCorp:

<b>OmegaCorp Shareholder</b>	<b>OmegaCorp Shares</b>	<b>%</b>
Anglo Pacific Group PLC	16,725,989	11.90
JP Morgan Asset Management (UK) Limited	11,580,000	8.24
UBS Nominees Pty Ltd	9,322,032	6.44
RAB Energy Fund Limited	7,490,000	5.33

**6.7 Consents**

The following persons have given and have not, before the date of issue of this Target's Statement withdrawn their consent to:

- (a) be named in this Target's Statement in the form and content in which they are named; and
- (b) the inclusion of other statements in this Target's Statement which are based on or referable to statements made in the reports or statements noted next to their names, or which are based on or referable to other statements made by those persons, in the form and context in which they appear:

<b>Name of Person</b>	<b>Capacity</b>	<b>Reports or Statements</b>
Hardy Bowen	Legal Advisor	N/A
Argonaut	Financial Advisor	N/A
Directors	Directors of OmegaCorp	Statements made by, or statements based on the statements made by the Directors.

Each of the persons named above:

- (c) does not make, or purport to make, any statement in this Target's Statement other than those statements referred to above and as consented to by that person; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement other than as described in this section with the person's consent.

## **6.8 No other material information**

There is no other information that Shareholders or their professional advisers would reasonably require to make an informed assessment on whether to accept the Offer, being information which:

- (a) is reasonable for Shareholders and their professional advisers to expect to find in this Target's Statement; and
- (b) is known to any of OmegaCorp's Directors.

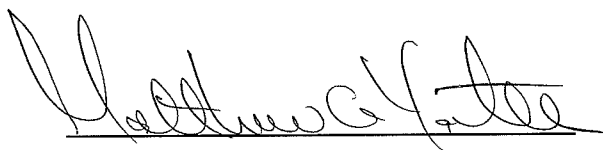
In deciding what information should be included in this Target's Statement, OmegaCorp's Directors have had regard to, amongst other things, the matters which Shareholders (or their professional advisers) may reasonably be expected to know, including information contained in documents previously sent to Shareholders and information available from public sources such as the ASX, ASIC or OmegaCorp's website at [omegacorplimited.com.au](http://omegacorplimited.com.au)



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## 7. Authorisation

Dated: 25 January 2007

A handwritten signature in black ink, appearing to read 'Matthew Yates', written over a horizontal line.

Matthew Yates being a director of OmegaCorp authorised to sign this Target's Statement pursuant to a resolution passed at a meeting of the Directors of OmegaCorp held on 25 January 2007.

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## 8. Glossary and Interpretation

### 8.1 Glossary

In this Target's Statement, unless a contrary intention appears, the following expressions have the following meanings:

"**Announcement Date**" means 6 December 2006.

"**ASIC**" means Australian Securities and Investment Commission.

"**ASX**" means ASX Limited (ACN 008 624 691).

"**Bidder's Statement**" means the bidder's statement of Denison dated 23 January 2007 which was served on OmegaCorp on that day.

"**Board**" means the board of Directors.

"**Break Fee Agreement**" means the break fee agreement between OmegaCorp and Denison dated 6 December 2006 as varied by a letter dated 21 December 2006.

"**Corporations Act**" or "**Act**" means the Corporations Act 2001 (Cth).

"**Denison**" means Denison Mines Corp.

"**Director**" means a director of OmegaCorp.

"**Eligible Shareholder**" means

- (a) a person registered as a member of OmegaCorp on the Relevant Date; or
- (b) a Shareholder holding OmegaCorp shares issued on exercise of Options before the end of the Offer Period.

"**FIRB**" means Foreign Investment Review Board.

"**Mavuzi**" means Mavuzi Resources Limited ACN 123 438 335.

"**Mavuzi IPO**" has the meaning in Section 2.4.

"**Mavuzi Listed Option**" means an option over an unissued Mavuzi Share exercisable at \$0.20 at any time up to and including 20 June 2010.

"**Mavuzi Share**" means a fully paid ordinary share in the capital of Mavuzi.

"**Mavuzi Project**" means prospecting licences 890, 1054, 1055 and 1119 in Mozambique held by OMC MOZ.

"**Meponda Project**" means prospecting licences 1116, 1117 and 1118 in Mozambique held by OMC MOZ.

"**Notice of Status of Conditions**" means the notice of status of conditions required by section 630(1) of the Corporations Act.

**"Offer"** or **"Denison's Offer"** means the offer dated 1 February 2007 made by Denison to acquire OmegaCorp Shares on the terms and conditions set out in the Bidder's Statement.

**"Offer Period"** means the period during which the Offer will remain open for acceptance.

**"OMC MOZ"** means OmegaCorp Minerai's Limitada, a company incorporated in Mozambique and wholly owned by OMC Resources Pty Limited, a subsidiary of OmegaCorp.

**"OmegaCorp"** or **"Company"** means OmegaCorp Limited (ACN 094 212 307).

**"OmegaCorp Shares"** or **"Shares"** means fully paid ordinary shares in OmegaCorp.

**"Option"** means an option over an unissued Share.

**"Relevant Date"** means 8am (WST) on 29 January 2007.

**"Rights"** means all accretions to and rights attaching to the relevant OmegaCorp Share at or after the date of the Bidders Statement (including, but not limited to, all dividends and all rights to receive dividends and to receive or subscribe for shares, stock units, options or options declared, paid, or issued by OmegaCorp) excluding any priority entitlement under the IPO.

**"Section"** means a section of this Target's Statement.

**"Shareholder"** or **"OmegaCorp Shareholder"** means a person registered as a member of OmegaCorp.

**"Takeover Panel"** has the same meaning as in the Corporations Act.

**"Target's Statement"** means this target statement.

**"Relevant Date"** means 8am on 29 January 2007.

**"VWAP"** means volume weighed average price.

## **8.2 Interpretation**

In this Target's Statement:

(a) headings are for convenience only and do not affect interpretation;

and unless the context indicates a contrary intention:

(b) the expression "person" includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;

(c) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;

(d) a reference to any document (including this Target's Statement) is to that document as varied, novated, ratified or replaced from time to time;

- (e) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (f) words importing the singular include the plural (and vice versa), and words indicating a gender include every other gender;
- (g) references to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this Target's Statement, and a reference to this Target's Statement includes any schedule, exhibit or annexure to this Target's Statement;
- (h) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (i) the word "includes" in any form is not a word of limitation;
- (j) a reference to "\$" or "dollar" is to Australian currency;
- (k) if any day appointed or specified by this Target's Statement for the payment of any money or doing of any thing falls on a day which is not a Business Day, the day so appointed or specified shall be deemed to be the next Business Day.

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