



# 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 26 July 2007 and is given under section 638 of the Corporations Act by OmegaCorp in response to the Replacement Bidder's Statement dated 16 July 2007 and served on OmegaCorp by Denison on 16 July 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 8.2 of this Target's Statement, words and phrases in this Target's Statement have the same meaning and interpretation as in the Corporations Act.

## Table of Contents

Clause	Page No
<b>1. Recommendations of the OmegaCorp Directors</b> .....	<b>3</b>
1.1 Summary of the Offer .....	3
1.2 Directors' Recommendation .....	3
1.3 Further Developments .....	5
<b>2. Important information for Shareholders to consider</b> .....	<b>6</b>
2.1 The Offer .....	6
2.2 Background information on OmegaCorp .....	6
2.3 Independent Expert's Opinion .....	6
2.4 Current business activities of OmegaCorp .....	6
2.5 Value of the Offer .....	7
2.6 Minority ownership consequences .....	7
2.7 Dividend issues for OmegaCorp Shareholders .....	8
2.8 Other alternatives to the Offer .....	8
2.9 OmegaCorp's Share price absent the Offer .....	8
2.10 Taxation consequences of a change in control in OmegaCorp .....	8
2.11 Company announcements .....	8
<b>3. Your choices as an OmegaCorp Shareholder</b> .....	<b>9</b>
<b>4. Key features of Denison's Offer</b> .....	<b>11</b>
4.1 Consideration payment to Shareholders who accept the Offer .....	11
4.2 Offer Period .....	11
4.3 Extension of the Offer Period .....	11
4.4 Withdrawal of Offer .....	11
4.5 Effect of acceptance .....	11
4.6 Your ability to withdraw your acceptance .....	11
4.7 When you will receive your consideration if you accept the Offer .....	11
4.8 Effect of an improvement in consideration on Shareholders who have already accepted the Offer .....	12
4.9 Compulsory acquisition .....	12
4.10 Broker handling fee .....	12
<b>5. Information relating to the Directors</b> .....	<b>13</b>
5.1 Directors' interests in OmegaCorp and Denison securities .....	13
5.2 Transactions in OmegaCorp and Denison securities .....	13
5.3 No benefits to Directors .....	13
5.4 Other agreements or arrangements with OmegaCorp Directors .....	13
5.5 Interests of OmegaCorp Directors in contracts with Denison .....	13
<b>6. Other material information</b> .....	<b>14</b>
6.1 Taxation implications .....	14
6.2 Effect of takeover on OmegaCorp's material contracts .....	14
6.3 Material litigation .....	14
6.4 Issued capital .....	14
6.5 Substantial Shareholders .....	14
6.6 Consents .....	14
6.7 No other material information .....	15
<b>7. Authorisation</b> .....	<b>16</b>

## Table of Contents

Clause		Page No
<b>8.</b>	<b>Glossary and Interpretation.....</b>	<b>17</b>
8.1	Glossary .....	17
8.2	Interpretation .....	18
<b>9.</b>	<b>Independent Expert's Report.....</b>	<b>20</b>

## KEY POINTS

- Denison is offering \$1.30 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.
- BDO, an independent expert, has concluded that the Offer is fair and reasonable.
- Denison's Offer is not subject to any defeating conditions.
- As at 25 July 2007 Denison has an entitlement to 87.48% of OmegaCorp Shares.
- Unless extended or withdrawn beforehand, Denison's Offer will expire on 3 September 2007.

## IMPORTANT DATES

Date of Denison's Bidder's Statement	16 July 2007
Date of this Target's Statement	26 July 2007
Date of Denison's Offer	1 August 2007
Close of Denison's Offer Period (unless extended or withdrawn)	5pm (Adelaide, South Australia Time) on 3 September 2007

# Letter from the Managing Director of OmegaCorp

26 July 2007

Dear Shareholder

On 25 June 2007 Denison Mines Corp. announced a further takeover bid for OmegaCorp Limited. The Bidder's Statement will be dispatched to Shareholders on 1 August 2007.

Denison's Offer valued a OmegaCorp Share at \$1.30, a premium of approximately 6.6% 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. BDO, an independent expert, has concluded that Denison's Offer is fair and reasonable.
3. The Offer represents a premium of 13% over Denison's First Offer.

When assessing whether to accept the Offer you should be aware that the Offer is not subject to any defeating conditions and that Denison, at the date of this Target's Statement, is entitled to 87.48% of the Shares in OmegaCorp. Denison has indicated that it wants to appoint its own nominees immediately to the OmegaCorp Board and the current directors intend to resign after those nominees are appointed.

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

The Directors each accepted Denison's First Offer and no longer hold any Shares.

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 3 September 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



Matt 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 \$1.30 for each OmegaCorp Share you own.

The Offer is not subject to any defeating conditions.

## 1.2 Directors' Recommendation

Each of OmegaCorp's Directors unanimously recommends 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 \$1.30, representing a premium of approximately 6.6% over the VWAP of OmegaCorp Shares on the ASX over the 20 trading day period to 25 June 2007. The price of \$1.30 also represents a premium of 32.7% to the 1 year VWAP share price of AU\$0.98. OmegaCorp's Directors are not aware of any transactions in OmegaCorp Shares which may have had the effect of inflating this premium.

(b) BDO conclude that Denison's Offer is fair and reasonable.

BDO, an independent expert, has concluded that the Offer is fair and reasonable. A copy of that report is in section 9.

(c) 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.

(d) 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. 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.



- (e) No brokerage

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

- (f) OmegaCorp Share price may fall following Denison's bid

It is possible that the market price and trading volumes of OmegaCorp Shares may fall at least in the short term to or below the level at which they were trading before the announcement of the Offer.

- (g) 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.

- (h) Potential disadvantages if you do not accept

Denison has become a controlling Shareholder in OmegaCorp, being entitled to approximately 87.48% of OmegaCorp Shares. This 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. Denison has indicated that it wants to appoint its own nominees immediately to the OmegaCorp Board and the current directors intend to resign after those nominees are appointed.

**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 Shareholders who accept Denison's Offer will not participate. However, this has to be weighed against the dilution which is likely to occur if OmegaCorp remains an independent company and raises 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.

- (c) Tax effect

See section 6.1 for an overview of the tax consequences for accepting the Offer.

### **1.3 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 25 June 2007. 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 3 September 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; and
- (c) Mr Mark Pearce.

As at the date of this Target's Statement OmegaCorp presently has cash reserves of approximately \$9.8 million (before transaction costs), no debt and 154,150,060 Shares on issue.

### **2.3 Independent Expert's Opinion**

This Target's statement includes an independent expert's report in section 9. The expert report is included to comply with section 640 of the Corporations Act.

Section 640(1)(a) of the Corporations Act 2001 requires that a target's statement made in response to a takeover offer for shares in an Australian public listed company to be accompanied by an independent expert's report if:

- (a) the bidder's voting power in the target is 30% or more; or
- (b) a director of the bidder is also a director of the target company.

Immediately prior to announcing its Offer, Denison had a relevant interest of 33.18% of the issued shares in OmegaCorp. An experts report is therefore required as to whether, in the expert's opinion, the Offer is fair and reasonable and to state the reasons for that opinion.

### **2.4 Current business activities of OmegaCorp**

During 2007, the Company has focussed its exploration activities on its 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. Final results of a scoping study were announced on the ASX on 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.

The inferred 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 has been renewed until October 2008.

### **Mavuzi IPO**

OmegaCorp has transferred its interest in the Mavuzi Project to its wholly owned subsidiary, Mavuzi.

Mavuzi is currently in the process of being listed on the ASX. A prospectus for the application for shares in Mavuzi was lodged on 5 June 2007. The closing date for applications was 16 July 2007. It is expected that Mavuzi will list on the ASX in early August.

## **2.5 Value of the Offer**

The consideration is \$1.30 per OmegaCorp Share.

## **2.6 Minority ownership consequences**

Denison has acquired more than 75% of the Shares and thus Denison has acquired a majority shareholding in OmegaCorp.

Shareholders who do not accept the Offer will become minority shareholders in OmegaCorp. This has a number of implications for 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. Denison has indicated that it wants to appoint its own nominees immediately to the OmegaCorp Board and the current directors intend to resign after those nominees are appointed;
- (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) Denison will be able to pass a special resolution at a meeting of OmegaCorp's Shareholders. 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 Offer 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 4.9 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 does not acquire all of the Shares in OmegaCorp.

## **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 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 an 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 read this Target's Statement (including the Independent Expert's Report) and seek professional advice if you are unsure as to whether accepting 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, the Financial Report for the Half Year ended 31 December 2006 and the Third Quarter Activities & Cashflow Report). Alternatively, they can visit OmegaCorp's website at [www.omegacorporplimited.com.au](http://www.omegacorporplimited.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.

You will receive \$1.30 for each of your OmegaCorp Shares.

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 and the compulsory acquisition provisions of the Corporations Act are satisfied, it will be entitled to compulsorily acquire the OmegaCorp Shares that it does not already own.

**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;  
and
- (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.

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

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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 \$1.30 for each OmegaCorp Share.

### **4.2 Offer Period**

Unless Denison's Offer is extended or withdrawn, it is open for acceptance from 1 August 2007 until 5pm (CST) 3 September 2007. The circumstances in which Denison may extend or withdraw its Offer are set out in sections 4.3 and 4.4 respectively of this Target's Statement.

The Offer is not subject to any defeating conditions.

### **4.3 Extension of the Offer Period**

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.

### **4.4 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.

### **4.5 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.

### **4.6 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 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.

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

In the usual case, you will be paid your consideration on the earlier of:

- (a) on or before one month after the date you accept the Offer; or
- (b) 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.

#### **4.8 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 who have accepted or accept the Offer, whether before or after consideration is improved, will be entitled to the benefit of that improved consideration.

#### **4.9 Compulsory acquisition**

Denison has indicated in section 4 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.

#### **4.10 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 plus GST.

Full details of the fee are in section 9.12 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 previously announced on 19 February 2007, the Directors each accepted Denison's First Offer and, as at the date of this Target's Statement, have no relevant interest in the OmegaCorp securities or any securities of Denison.

### **5.2 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 6 July 2007).

### **5.3 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 an OmegaCorp Director (or anyone else) in connection with the Director's retirement as a director or executive of OmegaCorp.

### **5.4 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.

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

No Director of OmegaCorp has any interest in any contract entered into by Denison.

### **5.6 Composition of Board**

Denison has indicated that it wants to appoint its own nominees immediately to the OmegaCorp Board and the current directors intend to resign after those nominees are appointed.

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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 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.

### 6.4 Issued capital

As at the date of this Target's Statement, OmegaCorp's issued capital consisted of 154,150,060 Shares and 500,000 unlisted Options

### 6.5 Substantial Shareholders

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

OmegaCorp Shareholder	OmegaCorp Shares	% of Issued Capital
Denison Mines Corp		87.48
Geiger Counter Limited		8.44
TOTAL		95.92

### 6.6 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>
BDO Consultants (WA) Pty Ltd	Independent Expert	Section 640 Independent Expert's Report
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:

- (a) 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
- (b) 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.

## **6.7 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 [www.omegacorpplimited.com.au](http://www.omegacorpplimited.com.au)

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## 7. Authorisation

Dated: 26 July 2007

A handwritten signature in blue ink, appearing to read "Matthew Yates".

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

---

## 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 25 June 2007.

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

"**ASX**" means ASX Limited (ACN 008 624 691) trading as Australian Securities Exchange.

"**Bidder's Statement**" means the replacement bidder's statement of Denison dated 16 July 2007 which was served on OmegaCorp on 16 July 2007.

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

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

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

"**Denison's First Offer**" means the off market takeover bid for all of the Shares announced by Denison on 6 December 2006 and which closed on 16 April 2007.

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

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

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

"**Offer**" or "**Denison's Offer**" means the offer dated 1 August 2007 made by Denison to acquire all of the Shares on the terms set out in the Bidder's Statement.

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

"**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.

"**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).

"**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.

**"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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**9. Independent Expert's Report**



**FINANCIAL SERVICES GUIDE  
AND  
INDEPENDENT EXPERT'S  
REPORT  
OMEGACORP LIMITED  
25 JULY 2007**



Consultants (WA) Pty Ltd  
ABN 92 008 864 435



**BDO Consultants (WA) Pty Ltd**

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## Financial Services Guide

25 July 2007

**BDO Consultants (WA) Pty Ltd** ABN 92 008 864 435 ("**BDO Consultants**" or "**we**" or "**us**" or "**ours**" as appropriate) has been engaged by OmegaCorp Limited ("**OmegaCorp**") to provide an independent expert's report on the offer made by Denison Mines Corp ("**Denison**") to acquire all of the issued ordinary shares of OmegaCorp that are not already owned by Denison. You will be provided with a copy of our report as a retail client because you are a shareholder of OmegaCorp.

### Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our **Australian Financial Services Licence, Licence No. 246328**;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

### Information about us

BDO Consultants (WA) Pty Ltd is ultimately owned by the Perth partnership of BDO. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services. Our directors are partners in the Perth partnership of BDO.

The Perth partnership of BDO is a member firm of BDO in Australia, a national association of separate partnerships and entities. The financial product advice in our report is provided by BDO Consultants (WA) Pty Ltd and not by the Perth partnership of BDO or its related entities.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and the Perth partnership of BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

### Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice to retail and wholesale clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues in relation to:

- ◆ derivatives limited to old law securities options contracts and warrants;
- ◆ debentures, stocks or bonds issued or proposed to be issued by a government;
- ◆ interests in managed investments schemes (excluding investor directed portfolio services);
- ◆ securities; and
- ◆ superannuation.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

### General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice

### **Fees, Commissions and Other Benefits that we may receive**

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee for this engagement is approximately \$30,000.

Except for the fees referred to above, neither BDO Consultants, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

### **Remuneration or other benefits received by our employees**

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

We have received a fee from OmegaCorp for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

### **Referrals**

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

### **Complaints resolution**

#### *Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Consultants (WA) Pty Ltd, PO Box 7426 Cloisters Square, Perth WA 6850.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

#### *Referral to External Dispute Resolution Scheme*

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Industry Complaints Service Limited ("**FICS**"). FICS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FICS will be able to advise you as to whether or not they can be of assistance in this matter. Our FICS Membership Number is F-3820.

Further details about FICS are available at the FICS website [www.fics.asn.au](http://www.fics.asn.au) or by contacting them directly via the details set out below.

Financial Industry Complaints Services Limited  
PO Box 579  
Collins Street West  
Melbourne VIC 8007  
Toll free: 1300 780 808  
Facsimile: (03) 9621 2291  
Email: [fics@fics.asn.au](mailto:fics@fics.asn.au)

### **Contact details**

You may contact us using the details set out at the top of our letterhead on page 1 of this FSG.

**OMEGACORP LIMITED**  
**INDEPENDENT EXPERT'S REPORT**  
**TABLE OF CONTENTS**

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1.	INTRODUCTION .....	1
2.	SUMMARY AND OPINION .....	1
3.	OUTLINE OF OFFER .....	3
4.	REPORT REQUIREMENTS.....	4
5.	BASIS OF EVALUATION.....	5
6.	PROFILE OF OMEGACORP LIMITED .....	5
7.	PROFILE OF DENISON MINES CORP.....	7
8.	URANIUM MARKET.....	9
9.	VALUATION METHODOLOGIES .....	12
10.	VALUATION OF OMEGACORP PRIOR TO THE TRANSACTION .....	15
11.	VALUATION OF CONSIDERATION .....	20
12.	IS THE OFFER FAIR? .....	20
13.	OTHER CONSIDERATIONS.....	20
14.	IS THE OFFER REASONABLE? .....	22
15.	POSITION IF OFFER IS ACCEPTED .....	22
16.	TAXATION IMPLICATIONS.....	23
17.	CONCLUSION .....	23
18.	SOURCES OF INFORMATION.....	23
19.	INDEPENDENCE .....	24
20.	QUALIFICATIONS .....	24
21.	DISCLAIMERS AND CONSENTS.....	24



25 July 2007

The Directors  
OmegaCorp Limited  
Level 9, BGC Centre  
28 The Esplanade  
PERTH WA 6000

Dear Sirs

**INDEPENDENT EXPERT'S REPORT IN RELATION TO THE TAKEOVER OFFER BY DENISON MINES CORP.**

**1. INTRODUCTION**

BDO Consultants (WA) Pty Ltd ("**BDO**") has been engaged by OmegaCorp Limited ("**OmegaCorp**") to prepare an Independent Expert's Report ("**our Report**") to express an opinion as to whether or not the takeover offer by Denison Mines Corp. ("**Denison**") ("**the Offer**") is fair and reasonable to non-associated shareholders ("**Shareholders**") of OmegaCorp.

Our Report is to be included in the Target's Statement for OmegaCorp to be sent to all Shareholders to assist them in deciding whether to accept or reject the Offer.

**2. SUMMARY AND OPINION**

**2.1 Opinion**

We have considered the terms of the Offer as outlined in the body of this report and have concluded that **in the absence of a better offer, the Offer is fair and reasonable to Shareholders.**

We believe that the Directors would be justified in recommending that Shareholders vote in favour of the Offer

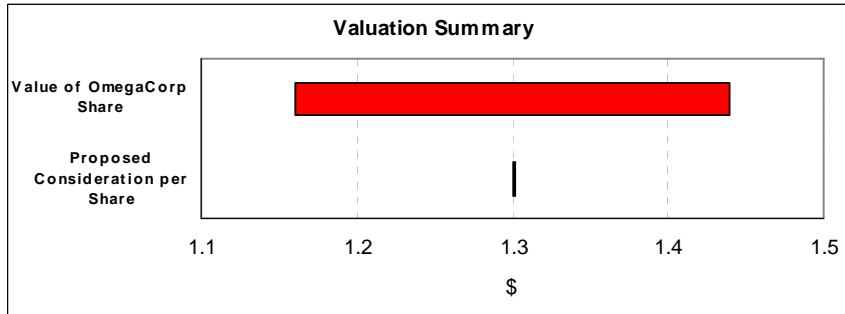
In making our opinion we note that a Shareholder's decision may be influenced by their particular circumstances. If a Shareholder is in doubt as to our recommendation, we recommend they consult an independent adviser.

**2.2 Fairness**

In Section 12 we determined that the Offer consideration compares to the value of OmegaCorp shares, as detailed hereunder.

	Value per Share	
	Low	High
	\$	\$
Value of an OmegaCorp Share (Section 10)	1.07	1.44
Consideration Offered (Section 11)	1.30	1.30
Implied premium/(discount)	21%	(10)%

The above pricing indicates that the Offer is fair for Shareholders, as the value of the consideration is within the range of values of an OmegaCorp share. The graph below provides a visual representation of the table above and demonstrates that the value of the consideration is within the value of an OmegaCorp share:



**2.3 Reasonableness**

We have considered the analysis in Sections 13 and 15 of this report, in terms of both

- advantages and disadvantages of the Offer; and
- alternatives, including the position of Shareholders if the Offer does not proceed.

In our opinion, the position of Shareholders if the Offer proceeds is more advantageous than the position if the Offer does not proceed. Accordingly, we believe that the Offer is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
15.1.1	The Offer is fair	15.2.1	Lack of alternative investments
15.1.2	Elimination of future investment risk	15.2.2	No exposure to potential upside value
15.1.3	No brokerage fees	15.2.3	Tax implications

In addition to the advantages and disadvantages noted above, in Section 13 we consider the following points:

- Shareholders are unlikely to receive a better alternative offer;
- Denison has a number of intentions should the Offer not be 100% accepted. Some of these intentions may not benefit Shareholders;
- Implications for the future operations of OmegaCorp should the Offer not be accepted; and
- The management of OmegaCorp will no longer hold shares in OmegaCorp. This may reduce the incentive for management to increase Shareholder value.

### 3. OUTLINE OF OFFER

#### 3.1 The Offer

On 25 June 2007, Denison announced a takeover offer to acquire all the remaining shares of OmegaCorp. The Offer is for each share to be bought at \$1.30 each in cash for a total consideration of approximately \$134.0 million. The consideration represents a 6.6% premium to the volume weighted average share price of OmegaCorp over the 20 trading days prior to 25 June 2007, and a premium of 32.7% to the 1 year volume weighted average OmegaCorp share price of \$0.98.

The Offer is set out in full in the Replacement Bidder's Statement prepared by Denison and dated 16 July 2007. The Replacement Bidder's Statement should be carefully read in full and in conjunction with the original Bidder's Statement before making a decision to accept or reject the Offer. The Replacement Bidder's Statement was issued to effect the change that the Offer is unconditional.

If Denison obtains more than 90% of the shares on issue in OmegaCorp then they will compulsorily obtain the remaining shares that they do not own. This means that any Shareholder who does not accept the Offer will be required to sell their shares to Denison under the compulsory acquisition provisions of the Corporation Act.

If Denison obtains more than 50% but less than 90% of the issued shares in OmegaCorp then they will attempt to continue to acquire the remaining shares held by Shareholders by acquiring up to 3% in each six month period until they can compulsorily obtain them. Denison currently holds approximately 87.42% of the shares in OmegaCorp. It is possible that this holding has increased since the date of our Report.

Denison will also attempt to control the Board of OmegaCorp and, should the possibility arise, will remove OmegaCorp from the official list of the ASX.

#### 3.2 Background

OmegaCorp has been the subject of takeover activity since 1 December 2006 when Denison made its initial offer for the issued capital of OmegaCorp. The table below summarises the activities that took place between Denison's initial offer and the current Offer:

Date	Details
1 December 2006	Denison made its initial bid for 100% of the shares of OmegaCorp. The bid was a 100% cash offer valued at \$1.10 per OmegaCorp share.
19 February 2007	The directors of OmegaCorp sold all of their shares to Denison.
23 March 2007	Denison revised its bid for 100% of the shares of OmegaCorp to \$1.15 per share and declared the offer period final.
13 April 2007	Central Africa Mining and Exploration Co Plc ("CAMEC") propose a bid for 100% of the shares of OmegaCorp in consideration of one CAMEC share for each OmegaCorp share. At the time of the announcement the closing value of a CAMEC share was worth approximately \$1.44. The value of this share would fluctuate during CAMEC's offer period between \$1.09 and \$1.44 <sup>1</sup> .

Date	Details
16 April 2007	The Denison offer expired and Denison had only acquired 33.2% of the shares in OmegaCorp.
13 June 2006	CAMEC withdraws from its bid for 100% of the OmegaCorp shares.
25 June 2007	Denison proposes the current Offer.
13 July 2007	Denison amends its Bidder's Statement and declares the Offer unconditional.
17 July 2007	Denison acquires an interest of more than 50% in OmegaCorp.
19 July 2007	Denison acquires an interest of approximately 78.6% in OmegaCorp.

Note 1: Based on each day's average interbank exchange rate and the closing share price for CAMEC as quoted on AIM.

### 3.3 Pre and Post Offer Share Structure

The following table demonstrates the change in holdings by Shareholders from 66.76% prior to the Offer to nil:

	Pre Offer Share Structure		Immediate Effect Post Offer	
	Number	%	Number	%
Denison	51,246,281	33.24%	154,650,060 <sup>1</sup>	100%
Shareholders	102,903,779	66.76%	-	-
<b>Total</b>	<b>154,150,060</b>	<b>100%</b>	<b>154,650,060</b>	<b>100%</b>

Note 1 – The post Offer shares held by Denison assumes that the 500,000 options currently on issue in OmegaCorp are converted to shares prior to the Offer expiring.

We have been advised that Denison currently holds approximately 87.4% of the shares in OmegaCorp. There is only one other significant shareholder, being Geiger Counter Limited, that holds approximately 8.4% of the shares in OmegaCorp.

## 4. REPORT REQUIREMENTS

### 4.1 Corporation Act Requirements

Denison has prepared a Bidder's Statement in accordance with Section 636 of the Corporations Act ("**the Act**"). Under Section 633 Item 10 of the Act OmegaCorp is required to prepare a Target's Statement in response to Denison's Offer.

Section 640 of the Act required the Target's Statement to include an independent expert's report to shareholders if:

- The bidder's voting power in the target is 30% or more; or
- The bidder and the target have a common director or directors.

As at the date of the announcement of the Offer, Denison held approximately 87.4% of the issued ordinary shares in OmegaCorp. Therefore, an independent expert's report is required for inclusion in the Target's Statement. The directors of OmegaCorp have engaged BDO to satisfy this requirement. We have been advised that, at the date of this Report, Denison held approximately 87.4% of the ordinary shares in OmegaCorp.



## 5. BASIS OF EVALUATION

### 5.1 Regulation Guidelines

In determining whether the Offer is fair and reasonable, we have had regard to the views expressed by the Australian Securities & Investments Commission (“ASIC”) in their Policy Statements 74 ‘Acquisitions Agreed to by Shareholders’ and 75 ‘Independent Expert Reports to Shareholders’ and Practice Note 43 ‘Valuation Reports and Profit Forecasts’.

Under PS75, an offer is fair if the value of the Offer if the value of the offer is equal to or greater than the value of the securities which are the subject of the offer. This comparison must be made assuming 100% ownership of the target company. PS75 states that an offer is reasonable if it is fair. It may also be reasonable if, despite not being fair, but after considering other significant factors, shareholders should accept the offer in the absence of any higher bid before the close of the offer.

In undertaking our assessment, we have considered the likely impact on Shareholders as a whole. We have not considered how the Offer may affect individual shareholders. Individual shareholders have different financial and tax circumstances. An individual shareholder’s decision whether to accept the Offer will be influenced by his or her particular circumstances and as such individual shareholders should make themselves familiar with the provisions of the Bidder’s Statement and the Replacement Bidder’s Statement and seek their own professional advice.

### 5.2 Adopted Basis of Evaluation

Having regard to both Policy Statements above, BDO has completed this analysis as follows:

- A comparison between value of an OmegaCorp Share prior to the Offer and the value of the Offer consideration for each share (fairness – see Section 12 “Is the Offer Fair?”);
- An investigation into other significant factors to which Shareholders might give consideration, prior to accepting the Offer, after reference to the value derived above (reasonableness – see Section 13 “Is the Offer Reasonable?”); and
- Consideration of the likely position of OmegaCorp Shareholders if the offer is rejected (reasonableness – see Section 15 “Is the Offer Reasonable?”)

## 6. PROFILE OF OMEGACORP LIMITED

OmegaCorp listed on the ASX on 6 August 2004. Since February 2005 OmegaCorp has pursued a number of uranium exploration projects. The Company’s main project is the Kariba Project in Zambia where current JORC mineral resource estimates (“MRE”) have been estimated at 13.7 million pounds U<sub>3</sub>O<sub>8</sub>. The Kariba Project contains five key prospects that have been the focus of OmegaCorp’s activities in the area.

OmegaCorp, with the assistance of MDM Engineering Limited, is currently performing prefeasibility studies on the potential to develop a mine within the Kariba Project. Ultimately, OmegaCorp intends to enter into a definitive feasibility study and bring the Kariba Project into production.

In mid 2006 OmegaCorp listed one of its wholly owned subsidiaries, Mantra Resources Limited and retained a small interest in the company. OmegaCorp also intends on listing another of its wholly owned subsidiaries, being Mavuzi Resources Limited, which holds two projects, namely the Mavuzi Project and the Meponda Project. Each of these projects includes prospecting licences for areas in northern Mozambique.

OmegaCorp also holds three prospecting licences in Tanzania which are collectively referred to as the Company's Tanzanian Heavy Mineral Sands Project.

The current directors of OmegaCorp are Ian Middlemas, Matthew Yates and Mark Pearce.

### 6.1 Historical Balance Sheet

OmegaCorp Limited	Reviewed As at 31 December 2006 \$	Audited As at 30 June 2006 \$	Audited As at 30 June 2005 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	10,026,201	3,451,502	2,156,124
Receivables	427,088	70,433	19,002
Other assets	5,995	35,613	-
<b>TOTAL CURRENT ASSETS</b>	<b>10,459,284</b>	<b>3,557,548</b>	<b>2,175,126</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	2,385,000	-	-
Exploration and evaluation expenditure	1,152,692	2,175,126	64,494
Property, plant and equipment	167,911	15,581	9,151
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,705,603</b>	<b>2,190,707</b>	<b>73,645</b>
<b>TOTAL ASSETS</b>	<b>14,164,887</b>	<b>5,748,255</b>	<b>2,248,771</b>
<b>CURRENT LIABILITIES</b>			
Payables	427,172	678,183	350,173
Provisions	8,092	12,791	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>435,264</b>	<b>690,974</b>	<b>350,173</b>
<b>TOTAL LIABILITIES</b>	<b>435,264</b>	<b>690,974</b>	<b>350,173</b>
<b>NET ASSETS</b>	<b>13,729,623</b>	<b>5,057,281</b>	<b>1,898,598</b>
<b>EQUITY</b>			
Contributed equity	24,217,602	12,412,667	3,307,828
Reserves	1,339,917	609,550	425,950
Accumulated losses	(11,827,896)	(7,964,936)	(1,835,180)
<b>TOTAL EQUITY</b>	<b>13,729,623</b>	<b>5,057,281</b>	<b>1,898,598</b>

Source: Annual Reports for the years ended 30 June 2005 and 30 June 2006, and reviewed financial statements for the six months ended 31 December 2006.

On 14 August 2006 OmegaCorp raised approximately \$10.8 million through the issue of ordinary shares at an issue price of 52 cents each. Along with the conversion of options to shares, this resulted in a significant increase in the cash balance and contributed equity balance of OmegaCorp as at 31 December 2006.

On 27 September 2006 OmegaCorp listed its wholly owned subsidiary, Mantra Resources Limited on the ASX. OmegaCorp still holds an interest in Mantra as demonstrated by the inclusion of other financial assets as a non-current asset.

## 6.2 Historical Income Statements

OmegaCorp Limited	Reviewed Half year ended 31 December 2006 \$	Audited Year ended 30 June 2006 \$	Audited Year ended 30 June 2005 \$
<b>Revenue from continuing operations</b>	<b>2,830,728</b>	<b>345,112</b>	<b>245,079</b>
Administration costs	(1,535,529)	(712,869)	(460,837)
Business development costs	(150,503)	(825,889)	(413,658)
Exploration costs	(5,007,656)	(4,936,110)	(1,083,599)
<b>Loss before income tax expense</b>	<b>(3,862,960)</b>	<b>(6,129,756)</b>	<b>(1,713,015)</b>
Income tax expense	-	-	-
<b>Net loss attributable to members of OmegaCorp Limited</b>	<b>(3,862,960)</b>	<b>(6,129,756)</b>	<b>(1,713,015)</b>

Source: Annual Reports for the years ended 30 June 2005 and 30 June 2006, and reviewed financial statements for the six months ended 31 December 2006.

## 7. PROFILE OF DENISON MINES CORP.

Denison is an intermediate uranium producer with 5 active uranium mining projects in North America: 3 in the United States and 2 in Canada. The Canadian public company has shares which trade on both the Toronto Stock Exchange and the American Stock Exchange under the symbols "DML" and "DNN" respectively. Denison also has warrants which trade on the Toronto Stock Exchange under the symbols "DML.WT" and "DML.WT.A".

The company was formed through the combination of the business and operations of Denison Mines Inc. ("DMI") and International Uranium Corporation ("IUC") on 1 December 2006. Under the arrangement, DMI became a subsidiary of IUC and shareholders of DMI received 2.88 shares of IUC for every DMI share held. IUC changed its name to Denison Mines Corp. as part of the arrangement.

Denison's assets include 2 licensed and operating uranium mills in North America; the White Mesa mill in Utah and the McClean Lake mill in Saskatchewan. Both mills are fully permitted, operating and undergoing expansion. The combined capacity of both mills is expected to be approximately 10.7 million lbs in 2007. Denison has a portfolio of world-class exploration projects, including properties in the Athabasca Basin in Saskatchewan, and the Colorado Plateau, Henry Mountain and Arizona Strip regions of the Southwestern United States. Denison also has high potential exploration properties in Mongolia and in Australia.

Denison is the manager of Uranium Participation Corporation, a publicly traded company which invests in uranium oxide in concentrates and uranium hexafluoride. Denison is also

engaged in mine decommissioning, effluent treatment and environmental services through its Denison Environmental Services (“DES”) division.

The company expects an estimated production of 5 million lbs of U<sub>3</sub>O<sub>8</sub> by 2011.

**7.1 Historical Balance Sheet**

Denison Mines Corp	Audited As at 31 December 2006 USD\$000
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	69,127
Receivables	18,403
Inventories	21,553
Prepaid expenses and other	786
<b>TOTAL CURRENT ASSETS</b>	<b>109,869</b>
<b>NON-CURRENT ASSETS</b>	
Long term investments	16,600
Property, plant and equipment	403,571
Restricted investments	15,623
Goodwill and other intangibles	113,685
<b>TOTAL NON-CURRENT ASSETS</b>	<b>549,479</b>
<b>TOTAL ASSETS</b>	<b>659,348</b>
<b>CURRENT LIABILITIES</b>	
Accounts payable and accrued liabilities	6,737
Deferred revenue	3,839
Provisions	867
Other	4,683
<b>TOTAL CURRENT LIABILITIES</b>	<b>16,126</b>
<b>NON-CURRENT LIABILITIES</b>	
Provisions	21,551
Other	9,489
Future income tax liability	92,204
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>123,244</b>
<b>TOTAL LIABILITIES</b>	<b>139,370</b>
<b>NET ASSETS</b>	<b>519,978</b>
<b>EQUITY</b>	
Share capital	548,069
Share purchase warrants	11,733
Contributed surplus	30,752
Deficit	(62,078)
Cumulative translation adjustment	(8,498)
<b>TOTAL EQUITY</b>	<b>519,978</b>

Source: Consolidated audited financial statement for the fifteen months ended 31 December 2006.

**7.2 Historical Income Statement**

Denison Mines Corp	15 months ended 31 December 2006 US\$'000
<b>Revenue from continuing operations</b>	<b>9,722</b>
<b>Expenses</b>	
Operating expenses	7,023
Sales royalties and capital taxes	420
Mineral property exploration	14,790
General and administrative	11,379
Write down of mineral properties	204
	<b>33,816</b>
<b>Loss from operations</b>	<b>(24,094)</b>
Net other income	7,399
<b>Loss for the period before taxes</b>	<b>(16,695)</b>
Income tax expense	(303)
<b>Net loss for the period</b>	<b>(16,998)</b>
Deficit, beginning of period	(45,080)
<b>Deficit, end of period</b>	<b>(62,078)</b>

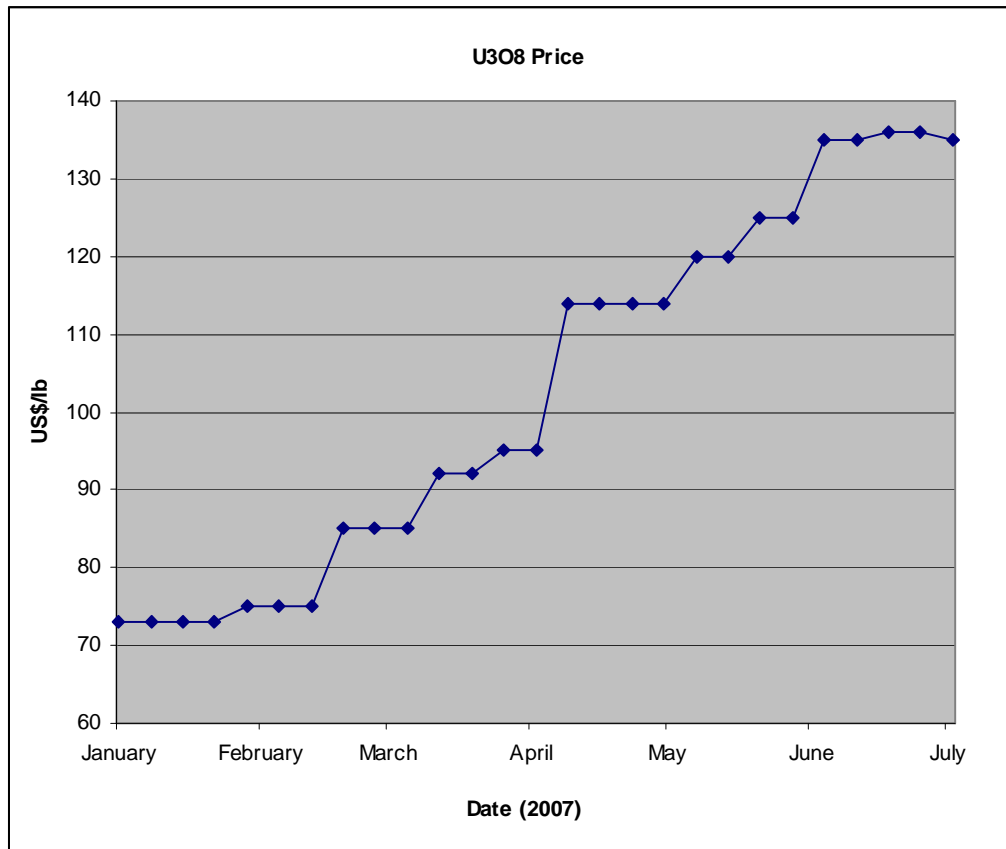
Source: Consolidated audited financial statement for the fifteen months ended 31 December 2006.

**8. URANIUM MARKET**

The main use for uranium is as fuel for nuclear power stations. Most of this is sold to power utilities under long-term contracts of approximately ten years.

Minor quantities of the metal are also used in medical, industrial and scientific applications. Depleted uranium (i.e. spent fuel rods) may also be used for ballast, projectiles, radiation shielding, as a catalyst and glass colorant, and in alloys and electrical components. Secondary sources of uranium include: recycled uranium and plutonium from spent fuel (as mixed oxide fuel); re-enriched depleted uranium tails; ex-military weapons-grade uranium; civil stockpiles; and ex-military weapons-grade plutonium.

The graphical display of world uranium prices for the 6 months ended 30 June 2007 is shown below:



Source: <http://www.uxc.com/>

The global uranium price has increased dramatically for the six month period from 1 January 2007 to 30 June 2007. The spot price of Uranium as at 9 July 2007 was US\$133/lb.

The reason behind the remarkable increase in world prices is the growing short term shortage in supply. The Cigar Lake uranium mine located in Canada and the second largest known high-grade uranium deposit in the world and the Ranger mine in Northern Australia, which produces approximately 11% of global uranium production, have both encountered floods in recent times. The events at both these mines are contributing factors to the decline in supply of U<sub>3</sub>O<sub>8</sub> which in turn can be attributed to the rapid rise in Uranium prices.

Another factor responsible for the change in price of uranium over the past 6 months is the increased demand for U<sub>3</sub>O<sub>8</sub> by nuclear reactors. Approximately 170 nuclear reactors are expected to be built within the next 15 years, which will see the demand for U<sub>3</sub>O<sub>8</sub> increase and continue to push the global price of uranium higher.

Recent shifts in uranium prices reflect long-term movements in world supply and demand. Large stockpiles of uranium oxide, amounting to about four times annual production, were built up by electricity utilities worldwide during the 1980s. In response to these high stock levels, uranium oxide prices dropped, mine production fell and

exploration spending on uranium plummeted. Stocks were gradually run down and by the early 2000s, concerns over the adequacy of mine production to meet future demand had started to fuel price rises. In 2006, world uranium oxide consumption amounted to about 80,000 tonnes. Mine production supplied about 51,000 tonnes, with the balance coming from stockpiles and recycled military uranium.

Large increases in spot uranium prices in the mid 2000s were driven by falling uranium stocks, increased concern over future uranium supplies and growing speculative demand for uranium. Despite very large price rises, world uranium production responded only slowly, reflecting the long lead-time required to either expand existing operations or bring new developments on stream.

However, world uranium output is expected to expand solidly from 2007 onwards, which may ease some of the supply problems of  $U_3O_8$  the world is currently experiencing. It is noted that the increase in supply of uranium going forward will not be sufficient to cover the growing demand. With the supply of uranium falling short of the demand over the next decade, as well as nuclear energy becoming an important source of power in the Asian region, it is likely that the outlook for uranium prices is positive.

Planned and proposed new nuclear power reactors worldwide have increased dramatically to June 2007. Planned and proposed nuclear power reactors, as reported by the World Nuclear Association, have increased by 70 units to 223 reactors as at 27 November 2006, an increase of 46% from the 153 planned and proposed new nuclear power reactors reported in May 2006. This compares with the 442 nuclear power reactors currently in operation. The main increases are from China with 163 planned and proposed new nuclear power reactors announced.

Contributing to the renewed interest in nuclear power is the rise in oil prices and concern over greenhouse gas emissions.

There has only been one uranium mine built in the world in over a decade. This is the Langer Heinrich Uranium Project, located west of central Namibia. The construction and staged commissioning of this project was successfully achieved on 28 December 2006 by Paladin Resources Limited. The Langer Heinrich Uranium Project has commenced with a targeted annual production of 2.6 million pounds of  $U_3O_8$ , and a minimum project life of 17 years.

As there have been limited uranium mines constructed in the world recently, there is a deficiency in the supply of qualified workers with experience in the construction of such mines. The education and training of staff for future uranium mining projects is a problem that companies will have to address. This may in turn affect the production and operation of the mines in the future.

Some of the major uranium producing companies in world include: Cameco Corporation, AREVA, Rio Tinto (Energy Resources Australia), and BHP Billiton (WMC Minerals). These companies are known as Tier 1 companies in uranium production. Tier 2 companies include Denison Mines Corp, Paladin Resources Limited, and SXR Uranium One Incorporated.

There have been a large number of uranium exploration companies to list recently, especially in Australia as Australia has the world's largest source of uranium with 28% of global known recoverable resources. In general these companies have performed extremely well on the Australian Securities Exchange ("ASX").

## **9. VALUATION METHODOLOGIES**

### **9.1 Methodologies commonly used for valuing assets and businesses are as follows:**

#### **9.1.1 Capitalisation of future maintainable earnings ("FME")**

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecast, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ("EBIT") or earnings before interest, tax, depreciation and amortisation ("EBITDA"). The capitalisation rate or "earnings multiple" is adjusted to reflect which base is being used for FME.

#### **9.1.2 Discounted future cash flows ("DCF")**

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

#### **9.1.3 Net tangible asset value on a going concern basis ("NTA")**

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.



The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when entities are not profitable, a significant proportion of the entity's assets are liquid or for asset holding companies.

While the use of benchmark methods is unwise in isolation, they can be helpful in providing a comparison or supporting valuation to the primary valuation methodology used.

#### **9.1.4 Industry recognised resource multiples**

There are a number of resource based multiples used to value companies holding particular resources. A resource based multiple involves identifying comparable companies and calculating the multiple of a resource to their enterprise value. In order to provide a reliable and comparable resource base, the multiples are calculated using JORC MREs.

In the case of placing a value on a uranium explorer, the industry recognised multiple is based on the enterprise value of a company and the JORC compliant  $U_3O_8$  MRE. Enterprise value is calculated as the market capital of a company plus net debt.

Calculating a multiple from comparable companies carries with it an inherent drawback that comparable companies are not identical to the subject company being valued. Therefore, when considering a multiple it is best to use a range.

#### **9.1.5 Quoted Market Price Basis**

Another alternative valuation approach that can be used in conjunction with (or as a replacement for) any of the above methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use

of ASX pricing is more relevant where a security displays regular high volume trading, creating a “deep” market in that security.

## 9.2 Valuation of OmegaCorp

In valuing OmegaCorp we have considered the industry recognized resource multiple basis as our preferred indicator of the value of an OmegaCorp share. We consider this method to be most appropriate because OmegaCorp has recently announced a JORC MRE of 13.7 million pounds U<sub>3</sub>O<sub>8</sub>. In addition to this, there are a number of ASX listed uranium explorers with JORC compliant U<sub>3</sub>O<sub>8</sub> MREs.

When considering the multiple to be applied to OmegaCorp we have taken into account the varying levels of measured JORC MREs and how they compare to OmegaCorp's inferred resource estimate.

We have also used the quoted market price of OmegaCorp as a comparison to the resource multiple valuation. We have not used the quoted market price as our primary method because the share price has been affected by takeover offers. The last trading day prior to the commencement of takeover offers was 30 November 2006.

We also considered comparable transactions, however, whilst there were a number of transactions during the previous two years, we considered the circumstances in each case to be materially different to the takeover of OmegaCorp. The transactions considered include the Mega Uranium Limited takeover of Redport Limited, the Paladin Resources Limited takeover of Valhalla Uranium Limited, the attempted Paladin Resources Limited takeover of Summit Resources Limited and the attempted Buttermere Australian Pty Ltd takeover of Marathon Resources Limited.

We do not consider it necessary to obtain an independent geologist's report on the value of OmegaCorp's exploration assets because, due to the recent takeover activities, the market is fully informed about the potential value of OmegaCorp's exploration assets. Recent information available to Shareholders' can be found in announcements made by the company on the following dates:

Date	Announcement
30 April 2007	Third quarter activities and cash flow report
12 April 2007	Infill Drilling Results received for Mutanga & Dibwe
11 April 2007	Further Significant Intercepts from RC Drilling – Zambia
8 February 2007	Update on RC Drilling Results from Bungua at Kariba Project
2 February 2007	Signifiant RC Drilling Results from Bungua Area at Kariba
25 January 2007	Target's Statement

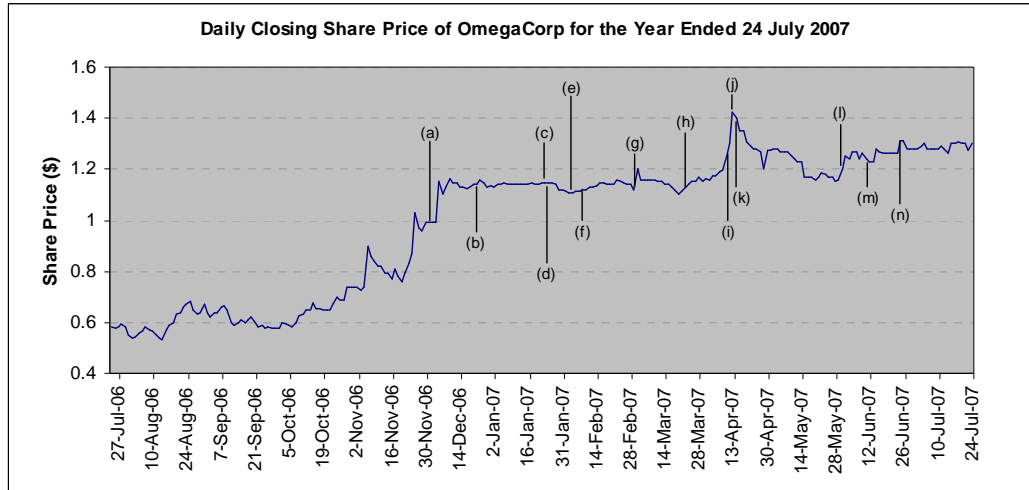
## 9.3 Valuation of consideration

The offer for all of the remaining shares in OmegaCorp is a 100% cash bid. This means that Shareholders will receive cash for the shares they hold. We have used the face value of the cash offered as the value of the consideration.

## 10. VALUATION OF OMEGACORP PRIOR TO THE TRANSACTION

### 10.1 Quoted Market Prices for OmegaCorp Shares

The share price of OmegaCorp has been influenced by a number of events leading up to the Offer. We have analysed the share price of OmegaCorp before each of these events. The table below summarises OmegaCorp's share price for the year ended 24 July 2007 and notes each date at which a significant event or an event related to the Offer occurred.



- (a) 1 December 2006 – the trading of OmegaCorp shares was halted pending an announcement. On 6 December 2006 trading in OmegaCorp shares was reinstated after the announcement that Denison had made an offer for all of OmegaCorp's shares. The offer valued the shares of OmegaCorp at \$1.10.
- (b) 21 December 2006 – OmegaCorp announced that it had discovered a uranium radiometric anomaly at the ZVP-Mozambique Project.
- (c) 23 January 2007 – Denison released its original Bidder's Statement.
- (d) 25 January 2007 – OmegaCorp released its original Target's Statement recommending Shareholders accept the offer.
- (e) 2 February 2007 – significant drilling results from Bungua at the Kariba Project are announced.
- (f) 8 February 2007 – an update on the drilling results at Bungua is announced.
- (g) 28 February 2007 – Denison extends offer period.
- (h) 23 March 2007 – Denison increases its bid to \$1.15 per share and declared offer period final.
- (i) 11 April 2007 – further significant drilling results from Bungua at the Kariba Project are announced. In addition to this, on 12 April 2007 OmegaCorp announced drilling results for the Mutanga and Dibwe areas of the Kariba Project.

- (j) 13 April 2007 – CAMEC announced its take over bid for all the shares of OmegaCorp. The CAMEC bid valued an OmegaCorp share at \$1.44. During the period of CAMEC's offer this value fluctuated between \$1.09 and \$1.44.
- (k) 16 April 2007 – the offer period for the Denison take over closes.
- (l) 30 May 2007 – CAMEC releases its Bidder's Statement.
- (m) 13 June 2007 – CAMEC withdraws its bid.
- (n) 25 June 2007 – Denison makes a new bid to acquire the shares of OmegaCorp for \$1.30 each.

#### 10.1.1 History of the market value of OmegaCorp shares

The table below demonstrates the value of an OmegaCorp share on a 10, 30, 60 and 90 day weighted average, the closing share price at the date of each announcement and the high and low of the share price during each period between announcements.

	Closing share price prior to announcement	Closing share price immediately after announcement	High	Low	Weighted Average			
					10 Days	30 Days	60 Days	90 Days
1 December 2006 (a)	0.99	1.15	1.06	0.52	0.93	0.85	0.78	0.72
21 December 2006 (b)	1.14	1.14	1.17	0.99	1.13	1.05	0.94	0.84
23 January 2007 (c)	1.14	1.14	1.15	1.13	1.14	1.13	1.03	0.97
25 January 2007 (d)	1.14	1.14	1.14	1.14	1.14	1.14	1.04	0.97
2 February 2007 (e)	1.11	1.11	1.14	1.11	1.14	1.14	1.06	0.99
8 February 2007 (f)	1.12	1.12	1.14	1.11	1.12	1.13	1.08	1.00
28 February 2007 (g)	1.14	1.14	1.15	1.12	1.14	1.13	1.13	1.04
23 March 2007 (h)	1.13	1.14	1.18	1.10	1.13	1.14	1.14	1.10
11 April 2007 (i)	1.19	1.25	1.19	1.13	1.17	1.16	1.15	1.14
13 April 2007 (j)	1.30	1.42	1.36	1.22	1.17	1.17	1.16	1.15
16 April 2007 (k)	1.42	1.40	1.43	1.35	1.23	1.17	1.16	1.15
30 May 2007 (l)	1.16	1.20	1.40	1.15	1.16	1.25	1.19	1.17
13 June 2007 (m)	1.23	1.23	1.28	1.16	1.23	1.22	1.19	1.18
25 June 2007 (n)	1.26	1.31	1.28	1.20	1.26	1.22	1.20	1.18

The table above demonstrates that prior to the announcement of any takeover activity, the closing share price of OmegaCorp was \$0.99 and the weighted average share price ranged from \$0.72 to \$0.93. We consider that the value of an OmegaCorp share based on the quoted market price prior to any takeover announcements was between \$0.85 and \$0.99.

Despite a number of announcements being made during the period from 1 December 2006 to 11 April 2007, including three announcements of successful drilling results and the announcement that Denison had increased its cash offer to \$1.15 per share, the share price of OmegaCorp fluctuated only slightly, between \$0.99 and \$1.19.

However, on 11 April 2007 OmegaCorp announced that it had achieved significant drilling results at its Kariba Project. This resulted in a significant increase in the closing share price from \$1.19 to \$1.30, with a high of \$1.36. On 13 April 2007 OmegaCorp announced that CAMEC had made an alternative offer for the shares of OmegaCorp which lead to a further increase in the share price, which peaked at \$1.43, just 1 cent short of the initial offer value put forward by CAMEC. However, the closing value of a CAMEC share fluctuated during CAMEC's offer period between \$1.09 and \$1.44.

On 16 April 2007 an announcement was made that Denison's offer had expired. This was followed by a fall in the share price to similar levels experienced prior to the announcement on 11 April 2007.

The share price of OmegaCorp continued to trade between \$1.20 and \$1.30 when, on 13 June 2007, OmegaCorp announced that CAMEC had withdrawn its offer. The share price did not fluctuate dramatically following the announcement. The announcement of CAMEC's withdrawal meant that the share price between 13 June 2007 and 25 June 2007, when Denison announced it was making a new offer, was not affected by market knowledge of a takeover offer. This does not mean that the market was not speculating. The 10 day weighted average share price during this period was \$1.26 and the shares traded between \$1.20 and \$1.28.

During the period outlined above, the  $U_3O_8$  spot price has almost doubled. This would also have had an affect on the share price of OmegaCorp. This has been demonstrated in Section 8.

The announcement of Denison's new offer on 25 June 2007, that valued an OmegaCorp share at \$1.30, has been reflected in the movement of the share price since this announcement to around \$1.30.

#### **10.1.2 Premium for control**

The quoted market price of a share on the ASX is based on the sale of small marketable parcels of shares. The purchase of a small number of shares entitles a shareholder to voting rights but they do not have the ability to control a company.

A shareholder who acquires sufficient shares to control the company would have the ability to make decisions on the future of the company. In addition to this, in a takeover situation an acquirer generally incorporates synergistic benefits into valuing the operations of the target. Therefore, in the case of a takeover situation, an acquirer may be willing to pay a premium. This means that a premium for control must be added to the share market price to arrive at the value of 100% of the shares in the company.

Empirical evidence suggests that the premium for control paid in takeovers, based on the target's share price prior to the commencement, is between 30% and 35%. This assumes that there is no speculation of a potential bid reflected in the pre-bid share price. It also assumes a certain level of synergies will result from the takeover which are included in the premium paid.

OmegaCorp is currently performing exploration and feasibility studies. We are of the opinion that synergies available from an exploration company could be lower than the average due to the relative simplicity of the operations of an exploration company. We also note that, whilst our quoted market price value of an OmegaCorp share has been calculated based on the share price at a time when no offer was available, it is probable that there was an expectation of a revised bid from Denison which influenced the share price. This is because Denison continued to hold 33.24% of the shares in OmegaCorp following the withdrawal of CAMEC's bid.

As a result of the analysis above, we consider a reasonable premium for control for 100% of OmegaCorp shares to be between 15% and 20%.

### 10.1.3 Summary of the market value of OmegaCorp shares

We consider that, with the market's knowledge of the projects of OmegaCorp, that the share price value between 13 June 2007 and 25 June 2007 reflects the value of an OmegaCorp share based on a marketable parcel. Therefore, we consider that the marketable parcel quoted market price value of an OmegaCorp share is between \$1.20 and \$1.28. In addition to this, we have added a premium for control as outlined below:

	Low per Share \$	High per Share \$
Quoted market price	1.20	1.28
Premium for control	15%	20%
<b>Quoted market price value for 100% ownership of OmegaCorp</b>	<b>1.38</b>	<b>1.54</b>

The table above demonstrates a quoted market price value of between \$1.38 and \$1.54.

## 10.2 Uranium Resource Multiple

We have performed an analysis of the JORC compliant U<sub>3</sub>O<sub>8</sub> MREs and how these compare to the share prices of a number of comparable companies to OmegaCorp trading on the ASX. In performing our analysis we have calculated the multiple of the JORC compliant U<sub>3</sub>O<sub>8</sub> MREs to each of the companies share prices. Our analysis is summarised below:

Company	ASX Code	Enterprise Value (\$m)	U <sub>3</sub> O <sub>8</sub> (M lb)	Multiple	U <sub>3</sub> O <sub>8</sub> Inferred %
Summit Resources Limited	SMM	720	33	21.68	74%
Energy Metals Limited	EME	157	8	20.55	48%
Paladin Resources Limited	PDN	4,801	244	19.69	44%
Berkeley Resources Limited	BKY	203	12	17.02	100%
Uranium King Limited	UKL	101	6	16.48	100%
Bannerman Resources Limited	BMN	352	27	13.04	100%
Nova Energy Limited	NEL	204	20	10.30	100%
Energy Resources of Australia Limited	ERA	3,748	551	6.80	39%
Marathon Resources Limited	MTN	346	69	5.01	100%

Company	ASX Code	Enterprise Value (\$m)	U <sub>3</sub> O <sub>8</sub> (M lb)	Multiple	U <sub>3</sub> O <sub>8</sub> Inferred %
Pepininni Minerals Limited	PNN	91	20	4.60	100%
U <sub>3</sub> O <sub>8</sub> Ltd	UTO	29	10	2.89	100%
<b>Average</b>				<b>13.81</b>	
<b>Median</b>				<b>13.04</b>	

Details of the companies included in the table above have been included as Appendix 2.

The table above demonstrates an average resource multiple of 13.81 and a median resource multiple of 13.04. All of OmegaCorp's JORC MRE has been measured as an inferred resource. An inferred resource is the lowest measurement available under the JORC Code. An analysis of the percentage of inferred resources to total measured resources measured by the comparable companies indicates that the higher the amount of inferred resource the lower the multiple.

In applying a multiple to OmegaCorp, we have considered the fact that all of OmegaCorp's measured resources are inferred.

We consider a range of multiples of between 10 and 13 to be appropriate for OmegaCorp. When these multiples are applied to OmegaCorp's JORC compliant U<sub>3</sub>O<sub>8</sub> MRE of 13.7 million pounds, a value of between \$137 million and \$178 million is derived. This equates to a per share value of OmegaCorp, based on 154,650,060 shares on issue, of between \$0.89 and \$1.15.

In section 10.1.2 we discussed a reasonable premium for control for an OmegaCorp share being between 15% and 20%. This premium included a discount for the market's potential speculation of a takeover offer. The resource multiple method is not affected by takeover speculation, therefore, we have used a premium of between 20% and 25%. The table below demonstrates the affect on the resource multiple valuation:

	Low per Share \$	High per Share \$
Resource multiple value	0.89	1.15
Premium for control	20%	25%
<b>Resource multiple value (including premium)</b>	<b>1.07</b>	<b>1.44</b>

### 10.3 Summary of the Value of an OmegaCorp Share

The table below summarises the values we have calculated in the preceding sections:

	Section	Low per Share \$	High per Share \$
Quoted market price	10.1	1.38	1.54
Resource multiple	10.2	1.07	1.44

The table above demonstrates a value range of between \$1.07 and \$1.54. This value range combines the two methods used in determining the value of an OmegaCorp share. We have chosen the resource multiple method as the preferred value indicator because the share price of OmegaCorp has been affected by takeover activities over the previous seven months.

Therefore, we consider the value of an OmegaCorp share to be between \$1.07 and \$1.44.

**11. VALUATION OF CONSIDERATION**

Denison proposes to offer \$1.30 in cash for each OmegaCorp share on issue. Therefore, the value of the consideration per share is \$1.30.

**12. IS THE OFFER FAIR?**

In Section 10 we assessed the value of an OmegaCorp share prior to the Offer and in Section 10 we assessed that the value of the consideration to be provided to Shareholders. The table below demonstrates the two values:

	Section	Low per Share \$	High per Share \$
Value of an OmegaCorp share prior to the Offer	10	1.07	1.44
Value of consideration	11	1.30	1.30

As the value of the consideration is within the value of an OmegaCorp share prior to the Offer, the Offer is fair to Shareholders.

**13. OTHER CONSIDERATIONS**

**13.1 Alternative Offer**

We are unaware of any alternative offer that might offer the non-associated shareholders of OmegaCorp a premium over the value ascribed to that resulting from the Offer.

Denison currently holds approximately 87.42% of the issued capital of OmegaCorp. This is likely to act as a deterrent to other potential bidders because Denison has the ability to block an alternative bid. Therefore, it is unlikely that an alternative bid will be received for the shares of OmegaCorp.

In addition to this, advisers to OmegaCorp have approached a number of other potential bidders, all of whom have declined to make an offer for OmegaCorp.

**13.2 Premium for Control**

ASIC Policy Statement 74 requires that the expert give an opinion as to whether the proposed issue of shares will result in the Company receiving any premium for control. We have estimated the amount of any premium for control being paid by Denison as the amount by which the value of the consideration per share exceeds the value of an OmegaCorp share.

The value of the consideration is \$1.30 per share. We have estimated the value of an OmegaCorp share to be between \$1.07 and \$1.44. On this basis, we conclude that Denison will be paying a premium of up to 12% on the value of an OmegaCorp share. However, our valuation already includes an estimated premium that could be expected for control of OmegaCorp. If we remove our estimated premium from the value of an OmegaCorp share we are left with a value of between \$0.89 and \$1.15. This means that Denison will be paying a premium for control of between 13% and 34% when our expected premium is included. The table below summarises the premium:



	Value per Share	
	Low \$	High \$
Value of consideration	1.30	1.30
Value of an OmegaCorp share including expected premium	0.89	1.15
<b>Total premium</b>	<b>46%</b>	<b>13%</b>
Value of an OmegaCorp share including expected premium	1.07	1.44
<b>Excess premium</b>	<b>21%</b>	<b>-</b>

### 13.3 Implications of the Offer Not Being Accepted

The following implications are possible if the Offer is not accepted:

#### 13.3.1 Shareholders continue to hold shares in OmegaCorp

If the Offer is not accepted, the Shareholders who do not accept the Offer will continue to hold shares in OmegaCorp. However, if Denison acquires more than 90% of the shares on issue the company will compulsorily acquire the remaining shares held by Shareholders.

#### 13.3.2 Potential for a change in management

Denison has stated that if the Offer is not accepted and it acquires more than 50% of the shares on issue in OmegaCorp then Denison may seek to position its own representatives on the Board. Denison currently holds 87.4% of the shares in OmegaCorp.

#### 13.3.3 Potential for removal from quotation on the ASX

If Denison acquires more than 50% but less than 90% of the shares on issue in OmegaCorp then Denison may seek to have the shares of OmegaCorp removed from the ASX. This will mean that any remaining OmegaCorp shareholders will hold unlisted shares. Typically, unlisted shares are harder to trade and are worth less than listed shares due to their relative illiquidity. Denison currently holds 87.4% of the shares in OmegaCorp.

The shares of OmegaCorp can only be removed from quotation if, in the ASX's opinion there is not a sufficient spread in shareholdings to ensure an orderly, liquid market.

#### 13.3.4 Lack of incentive for management

The management team at OmegaCorp previously sold all of their shares in the Company to Denison. Shares are commonly used as an incentive to management to increase shareholder wealth. Without an interest in the ownership of OmegaCorp the management team may not be provided with the right incentives to create shareholders wealth. This means that management may either leave the Company or OmegaCorp may be required to issue additional securities to management in order to provide an additional incentive to create shareholders wealth.

### **13.3.5 Adverse change in share price**

We have referred to a number of possible events that could cause a reduction or roof on the share price of OmegaCorp if the Offer is not accepted. These include the potential need to raise additional funds to continue the development of the Kariba Project and the difficulties encountered in sourcing suitably qualified and experienced personnel to assist in the development of the Kariba Project.

## **14. IS THE OFFER REASONABLE?**

We have considered the position of Shareholders if the Offer is accepted and have taken into account the following advantages and disadvantages in this assessment. We have assessed that in all cases the advantages and disadvantages of rejecting the Offer are the inverse of accepting the Offer. Thus for simplicity of evaluation of the Offer we have set out the significant factors only in the context of accepting the Offer.

## **15. POSITION IF OFFER IS ACCEPTED**

In accordance with our basis of evaluation (Section 5.2) we have investigated other significant factors to which OmegaCorp shareholders might give consideration prior to approving the Offer. The matters we have considered are outlined below.

### **15.1 Advantages**

#### **15.1.1 The Offer is fair**

As shown in Section 12 we have assessed the Offer to be fair to Shareholders. ASIC Policy Statement 75 states that "an offer is reasonable if it is fair".

#### **15.1.2 Elimination of investment risk**

The resources of OmegaCorp have been measured on an inferred basis. This is the lowest measurement for a resource permitted under the JORC Code. The value of OmegaCorp's shares is partly linked to the ability of OmegaCorp to upgrade its resource to an indicated or measured resource, or a reserve. If it becomes apparent that the inferred resource cannot be realised then the value of an OmegaCorp share could decline.

#### **15.1.3 No brokerage fees**

Accepting the Offer will allow Shareholders to receive cash without incurring any brokerage fees. If Shareholders were to sell their shares via the ASX it is likely that they would be subject to a brokerage charge.

### **15.2 Disadvantages**

#### **15.2.1 Lack of alternative investments**

Shareholders will receive cash in exchange for their investment in OmegaCorp. Those Shareholders who wish to continue an exposure to the uranium exploration sector will need to find an alternative vehicle to invest their cash in. Given the increase in the U<sub>3</sub>O<sub>8</sub> price and the increase in the share prices of uranium exploration companies it may be difficult for Shareholders to find suitably priced alternative investment vehicles.

### **15.2.2 No exposure to potential upside value**

As OmegaCorp continues to explore for uranium, there is the potential that the Company could come across a significant discovery. Typically, a significant discovery results in a substantial increase in a company's share price. If Shareholders accept the Offer, they will not have exposure to that potential upside.

### **15.2.3 Tax implications**

The acceptance of the Offer will trigger an Australian Capital Gains Tax event. This may result in tax being payable by Shareholders. This means that Shareholders may be subject to tax earlier than they may have elected had the Offer not been accepted.

## **16. TAXATION IMPLICATIONS**

With respect to individual tax implications we recommend that shareholders seek independent taxation advice relevant to their specific circumstances. We note that acceptance of the Offer will result in an Australian Capital Gains Tax event.

## **17. CONCLUSION**

We have considered the terms of the Offer as outlined in the body of this report and have concluded that **in the absence of a better offer, the Offer is fair and reasonable to Shareholders.**

We believe that the Directors would be justified in recommending that Shareholders vote in favour of the Offer

In making our opinion we note that a Shareholder's decision may be influenced by their particular circumstances. If a Shareholder is in doubt as to our recommendation, we recommend they consult an independent adviser.

## **18. SOURCES OF INFORMATION**

This report has been based on the following information and sources:

- Denison's Bidder's Statement dated 25 June 2007
- Draft Target's Statement prepared by the directors of OmegaCorp;
- Annual Report of OmegaCorp for the year ended 30 June 2006;
- Half yearly report of OmegaCorp for the six months ended 31 December 2006;
- Second quarter report of Denison Mines Inc;
- OneSource Information Services, Inc;
- IBISWorld Industry Report, Uranium Mining in Australia: B1318;
- Connect 4 Pty Ltd;
- Discussions with Directors of, Management of and advisers to OmegaCorp; and
- Information in the public domain;

## **19. INDEPENDENCE**

BDO Consultants (WA) Pty Ltd is entitled to receive a fee of \$30,000 (excluding GST and reimbursement of out of pocket expenses). Except for this fee, BDO Consultants (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Consultants (WA) Pty Ltd has been indemnified by OmegaCorp in respect of any claim arising from BDO Consultants (WA) Pty Ltd's reliance on information provided by OmegaCorp, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Consultants (WA) Pty Ltd considered its independence with respect to OmegaCorp and Denison and any of their respective associates with reference to ASIC Practice Note 42 "Independence of Expert's Reports". In BDO Consultants (WA) Pty Ltd's opinion it is independence of OmegaCorp and Denison and their respective associates.

Neither the two signatories to this report nor BDO Consultants (WA) Pty Ltd have had within the past two years any professional relationship with OmegaCorp, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to OmegaCorp and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

## **20. QUALIFICATIONS**

BDO Consultants (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Consultants (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes, Matt Giles and Peter Gray of BDO Consultants (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia.

## **21. DISCLAIMERS AND CONSENTS**

This report has been prepared at the request of OmegaCorp for inclusion in the Target's Statement which will be sent to all OmegaCorp Shareholders. OmegaCorp engaged BDO Consultants (WA) Pty Ltd to prepare an independent expert's report to consider the Offer.

BDO Consultants (WA) Pty Ltd hereby consents to this report accompanying the above Target's Statement. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Consultants (WA) Pty Ltd.

BDO Consultants (WA) Pty Ltd takes no responsibility for the contents of the Target's Statement other than this report.

BDO Consultants (WA) Pty Ltd has not independently verified the information and explanations supplied to us, nor has it conducted anything in the nature of an audit of

OmegaCorp or Denison. However, we have no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Offer, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of OmegaCorp, or any other party.

The taxation implications addressed are based on the Income Tax Assessment Act 1997 (Cth) (as amended), the Income Tax Assessment Act 1936 (Cth) (as amended), and the established interpretations of those Acts at the date of this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Consultants (WA) Pty Ltd has no obligation to update this report for events occurring subsequent to the date of this report.

Yours faithfully  
**BDO CONSULTANTS (WA) PTY LTD**



**Sherif Andrewes**  
Director



**Matt Giles**  
Director

**Appendix 1 – Glossary of Terms**

<b>Reference</b>	<b>Definition</b>
The Act	The Corporations Act
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BDO	BDO Consultants (WA) Pty Ltd
CAMEC	Central Africa Mining and Exploration Co Plc
The Company	OmegaCorp
DCF	Discounted Future Cash Flows
Denison	Denison Mining Corp.
DES	Denison Environmental Services
DMI	Denison Mines Inc
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FMD	Future Maintainable Dividends
FME	Future Maintainable Earnings
IUC	International Uranium Corporation
JORC	The Australasian Code for the reporting of exploration results, mineral resources and ore reserves
MRE	Mineral Resource Estimate
OmegaCorp	OmegaCorp Limited
ROC	Return of Capital
NTA	Net Tangible Assets
The Offer	The proposal of Denison to acquire the remaining shares in Omegacorp
Our Report	This Independent Expert's Report prepared by BDO
VWAP	Variable Weighted Average Price
Shareholders	Shareholders of OmegaCorp not associated with Denison

# Appendix 2

## Comparable Companies

### **Paladin Resources Ltd**

Paladin Resources Ltd is listed on both the Australian Stock Exchange and the Toronto Stock Exchange under the symbol "PDN". Paladin operates in the mineral resource sector with focus on uranium and has projects in Australia and Africa. The Company's strategy is to identify, acquire and evaluate advanced uranium projects. With construction and staged commissioning complete, the Langer Heinrich Uranium Mining Operation has commenced with a targeted annual production of 2.6 million pounds  $U_3O_8$  and a minimum project life of 17 years. Paladin recently acquired approximately 82% of Summit Resources Limited.

Paladin has an interest in approximately 244 million pounds  $U_3O_8$  JORC MRE, with approximately 107 million pounds of inferred resource.

### **Energy Metals Limited**

Energy Metals Limited is a dedicated Australian Uranium exploration company with a portfolio of advanced projects located in the Northern Territory and Western Australia. The Company is listed on the Australian Stock Exchange under the code: EME, and out of the 26 million shares on issue, Denison Mines Inc holds 3 million. Energy Metals has eight projects located in the Northern Territory and Western Australia covering over 4,000 km<sup>2</sup>. Most of the projects contain uranium mineralisation discovered by major companies in the 1970's, including the advanced Bigryli project, which is characterised by relatively high uranium grades (with vanadium credits) and excellent metallurgical recoveries. The Bigryli project is owned by three companies: Energy Metals Ltd (53.3%), Valhalla Uranium Ltd (a subsidiary of Paladin Resources Ltd, 41.7%), and Southern Cross Exploration NL (5%). At a 0.5kg/t  $U_3O_8$  cut off grade the Bigryli project contains 14.3Mlbs of  $U_3O_8$  and 16.3Mlbs of V2O5. Approximately 47% of the  $U_3O_8$  resource is inferred.

### **Summit Resources Limited**

Summit Resources Limited is an ASX and NZX listed corporation focussed on uranium, copper, gold and base metal exploration and mine development projects in the Mount Isa metals province in northwest Queensland. The Company controls a uranium resource inventory of over 75 million pounds at Mount Isa. Only Rio Tinto and BHP Billiton are in control of larger uranium resources in Australia. With around 7,000 square kilometres of exploration tenements in the Mount Isa region Summit has the basis to deliver a number of world class uranium, copper, gold and base metal resources. Summit has an interest in approximately 33 million pounds of JORC MRE  $U_3O_8$ , with approximately 73% of this inferred.

### **Bannerman Resources Limited**

Bannerman Resources Limited was incorporated in February 2005 as a public company for the purposes of acquiring prospective exploration projects that are generally under explored. The Company is an emerging international uranium producer with operating projects in Namibia and Botswana and licences in Australia. Bannerman has an 80% interest in the Goanikontes Anomaly A uranium deposit in Namibia. The Goanikontes Anomaly A project contains approximately 27.0Mlb of  $U_3O_8$  at a grade of 219ppm in the Inferred category.

### **Uranium King Limited**

On 4 September 2006 Uranium King commenced trading on the Australian Stock Exchange after raising \$A6.5 million in a heavily oversubscribed initial public offering. On 21 July 2006 Uranium King exercised an option to acquire a 100% interest in the uranium assets of Mineral Energy and Technology Corporation ("METCO"). METCO is a United States based private company which owned the Rio Puerco and Church Rock projects in the State of New Mexico and the Apex and Lowboy projects in the state of Nevada. Based on exploration completed during the 1970's and 1980's, the Rio Puerco and Apex-Lowboy projects have combined JORC inferred uranium resources of 6.1 million pounds (2.8 million kilograms) of uranium oxide. The Rio Puerco project has approximately 4.5Mlbs @



0.12% U<sub>3</sub>O<sub>8</sub>, and the Apex-Lowboy project has approximately 1.5Mlbs @ 0.07% U<sub>3</sub>O<sub>8</sub>, both measured under the JORC inferred category.

### **Berkeley Resources Limited**

Berkeley Resources is the premier uranium explorer in the Iberian peninsular. The Company is acquiring eleven advanced uranium exploration projects in Spain totalling approximately 145,000ha. The projects have all been the subject of extensive historical exploration and contain a number of advanced exploration targets. Berkeley has also entered a Strategic Alliance with Areva NC to explore and develop Berkeley's uranium projects. Berkeley Resources is also reviewing other uranium exploration opportunities and currently owns a number of exploration projects in Australia for gold, nickel and base metals. The inferred resources at Retortillo & Zona 7 deposits in Spain with a U<sub>3</sub>O<sub>8</sub> cut off of 200ppm totalled 11.9 Mlb of U<sub>3</sub>O<sub>8</sub> at 723ppm.

### **Nova Energy Limited**

Nova Energy Limited is a uranium exploration company, with projects located in Western and South Australia. The Company was incorporated in October 2004, listed on the ASX on 23 August 2005 and is located in Perth, Western Australia. The Company will pursue development of its Lake Way and Centipede project while lobbying for political change in the State of Western Australia. In parallel, the Company will focus exploration and acquisition activities in jurisdictions that are favourably disposed towards uranium mining, including South Australia, the Northern Territory and parts of Africa. An inferred mineral resource survey, with a 300ppm cut off, showed results of approximately 20Mlb of U<sub>3</sub>O<sub>8</sub> at 0.058% from a total of 15.51M tonnes of ore tested.

### **Pepinnini Minerals Limited**

Pepinnini Minerals Limited is an ASX listed Exploration Company focused on discovering a major new Australian mineral deposit. The Company has secured strategically located exploration tenements in South Australia and Queensland. Pepinnini Minerals Limited currently holds 100% ownership of fifteen tenements covering 11,446 square kilometres with potential for the rapid discovery and exploitation of a major new Australian mineral deposit. Uranium deposits and prospects have been defined within the Curnamona Province tenements in Queensland. The Curnamona Province Project consists of four granted exploration licenses, one of which is at Crocker Well, producing an inferred JORC compliant resource of 19.8Mlbs of U<sub>3</sub>O<sub>8</sub> using a cut off grade of 250ppm.

### **Energy Resources of Australia Limited**

ERA is a publicly listed company exporting uranium oxide to fuel nuclear electricity utilities in Asia, Europe and North America. The Company provides approximately 11 percent of the western world's uranium production. ERA has mined and produced uranium oxide from its Ranger mine in the Alligator Rivers area of the Northern Territory since 1980. The open cut Ranger mine is on Aboriginal land, approximately 250km east of Darwin. 1.46M tonnes of ore were mined in the 6 months to 30 June 2007, while 0.96M tonnes were milled. Out of this amount, 2,496 tonnes of U<sub>3</sub>O<sub>8</sub> were extracted. ERA has approximately 551Mlb of U<sub>3</sub>O<sub>8</sub> in resources and reserves. Of this, approximately 215Mlb is inferred.

### **U308 Limited**

U<sub>3</sub>O<sub>8</sub> Limited is a dedicated uranium exploration company formed as a spin off from Giralia Resources NL, controlling 10 uranium projects in Western Australia, South Australia and Queensland totalling approximately 2243 square kilometres within 15 granted tenements and applications for tenements. Many of the projects contain uranium mineralisation discovered in the 1970s, including zones of very high grades from surface sampling (up to 37% uranium oxide), and several deposits of known near-surface calcrete hosted uranium mineralisation, for which substantial drilling programs are planned. Of the 15 tenements, 14 are owned 100% by

U<sub>3</sub>O<sub>8</sub> Limited. The Company has released further results from its 100% owned Wabli-Minindi project, located northeast of Gascoyne Junction in Western Australia, as having an average grade and thickness of 1.2m at 338ppm U<sub>3</sub>O<sub>8</sub>. U<sub>3</sub>O<sub>8</sub> has an estimated inferred resource of approximately 10Mlb.

**Marathon Resources Limited**

Marathon Resources Limited listed on the Australian Securities Exchange on 15 March 2005, under the stock code of MTN. The Company is a minerals exploration company focused on the development of Mt Gee, one of Australia's largest undeveloped uranium deposits. The Mt Gee project is located within the Paralana Mineral System of South Australia. Marathon's portfolio also includes highly prospective copper-gold-uranium properties in the Gawler Craton of South Australia. The Mt Gee deposit has an inferred MRE of approximately 69Mlbs of contained U<sub>3</sub>O<sub>8</sub>.