

URANIUM PARTICIPATION CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FEBRUARY 29, 2008

Responsibility for Financial Reporting

To the Shareholders of Uranium Participation Corporation,

The Company's management is responsible for the integrity and fairness of presentation of these consolidated financial statements. The consolidated financial statements have been prepared by management, in accordance with Canadian generally accepted accounting principles for review by the Audit Committee and approval by the Board of Directors.

The preparation of financial statements requires the selection of appropriate accounting policies in accordance with generally accepted accounting principles and the use of estimates and judgments by management to present fairly and consistently the consolidated financial position of the Company. Estimates are necessary when transactions affecting the current period cannot be finalized with certainty until future information becomes available. The Company's management is also responsible for maintaining systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide assurance that the financial information is accurate and reliable in all material respects and that the Company's assets are appropriately accounted for and adequately safeguarded. The Company's management believes that such systems are operating effectively and has relied on these systems of internal control in preparing these financial statements.

PricewaterhouseCoopers LLP, Chartered Accountants, are independent external auditors appointed by the shareholders to issue a report regarding the consolidated financial statements of the Company. PricewaterhouseCoopers' audit report outlines the extent and nature of their examination and expresses their opinion on the consolidated financial statements.

The Board of Directors of the Company is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements and the accompanying annual management report of fund performance. The Board carries out this responsibility principally through its Audit Committee, which is appointed annually and consists of three Directors, none of whom are members of management.

The Audit Committee meets at least twice per year with management, together with the independent auditors, to satisfy itself that management and the independent auditors are each properly discharging their responsibilities. The independent external auditors have full access to the Audit Committee with and without management present. The Committee, among other things, reviews matters related to the quality of internal control, audit and financial reporting issues. The Audit Committee reviews the consolidated financial statements and the independent auditors' report, as well as any public disclosure document that contains financial information, and reports its findings to the Board of Directors, prior to the Board approving such information for issuance to the shareholders. The Committee also considers, for review by the Board and approval by the shareholders, the engagement or reappointment of the Company's independent auditors.

(Signed) "E. Peter Farmer"

(Signed) "James R. Anderson"

E. Peter Farmer
President

James R. Anderson
Chief Financial Officer

April 25, 2008

Independent Auditors' Report

To the Shareholders of Uranium Participation Corporation

We have audited the accompanying consolidated statements of net assets of Uranium Participation Corporation (the Company) as at February 29, 2008 and February 28, 2007, the consolidated statements of operations, changes in net assets and cash flows for the years ended February 29, 2008 and February 28, 2007 and the consolidated statement of investment portfolio as at February 29, 2008. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 29, 2008 and February 28, 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Accountants, Licensed Public Accountants

Toronto, Canada
April 25, 2008

**URANIUM PARTICIPATION CORPORATION
CONSOLIDATED STATEMENT OF NET ASSETS
AS AT FEBRUARY 29, 2008 AND FEBRUARY 28, 2007**

(in thousands of Canadian dollars, except per share amounts)	February 2008	February 2007
Assets		
Investments at market value (at cost: 2008-\$450,946; 2007-\$301,226)	\$ 597,796	\$ 676,670
Cash and cash equivalents	13,687	867
Sundry receivables and other assets	1,113	1,038
Income taxes receivable	23	275
Future income taxes (note 3)	10,570	7,081
	\$ 623,189	\$ 685,931
Liabilities		
Accounts payable and accrued liabilities	1,030	1,031
Income taxes payable	390	106
Loan payable (note 5)	-	11,600
Future income taxes (note 3)	39,224	93,830
Net assets	\$ 582,545	\$ 579,364
Net assets represented by		
Common shares (note 4)	\$ 481,203	\$ 299,759
Warrants (note 4)	2,455	6,003
Contributed surplus (note 4)	30	-
Retained earnings	98,857	273,602
	\$ 582,545	\$ 579,364
Common shares		
Issued and outstanding (note 4)	64,991,841	48,473,727
Net asset value per common share		
Basic	\$ 8.96	\$ 11.95
Diluted	\$ 8.96	\$ 11.43

The accompanying notes are an integral part of these financial statements.

ON BEHALF OF THE BOARD OF URANIUM PARTICIPATION CORPORATION

(Signed) "Richard H. McCoy"

Richard H. McCoy
Director

(Signed) "Garth A. C. MacRae"

Garth A. C. MacRae
Director

URANIUM PARTICIPATION CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEARS ENDED FEBRUARY 29, 2008 AND FEBRUARY 28, 2007

(in thousands of Canadian dollars)	February 2008	February 2007
Income		
Interest	\$ 435	\$ 472
Income from investment lending (note 6)	7,080	942
Unrealized gains (losses) on investments	(228,594)	346,461
	(221,079)	347,875
Operating expenses		
Transaction fees (note 5)	2,246	2,456
Management fees (note 5)	1,901	1,397
Storage fees	954	780
Audit fees	49	17
Directors fees	120	106
Legal and other professional fees	188	94
Shareholder information and other compliance	206	222
General office and miscellaneous	242	123
Interest and other debt related expenses	95	378
Foreign exchange loss	3,403	618
	9,404	6,191
Increase (decrease) in net assets from operations before taxes	(230,483)	341,684
Income tax provision (recovery) (note 3)	(55,738)	84,310
Increase (decrease) in net assets from operations after taxes	(174,745)	257,374
Opening retained earnings	273,602	16,228
Closing retained earnings	98,857	273,602
Increase (decrease) in net assets from operations per common share		
Basic	\$ (2.91)	\$ 6.28
Diluted	\$ (2.91)	\$ 6.01
Weighted average common shares outstanding (note 4)		
Basic	60,007,756	40,991,927
Diluted	60,007,756	42,851,473

The accompanying notes are an integral part of these financial statements.

**URANIUM PARTICIPATION CORPORATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED FEBRUARY 29, 2008 AND FEBRUARY 28, 2007**

(in thousands of Canadian dollars)	February 2008	February 2007
Net assets at beginning of year	\$579,364	\$175,010
Net proceeds from issue of units and shares, and exercise of warrants, after tax	177,926	146,980
Increase (decrease) in net assets from operations after taxes	(174,745)	257,374
Net assets at end of year	\$582,545	\$579,364

**URANIUM PARTICIPATION CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED FEBRUARY 29, 2008 AND FEBRUARY 28, 2007**

(in thousands of Canadian dollars)	February 2008	February 2007
Operating Activities		
Increase (decrease) in net assets from operations after taxes	\$(174,745)	\$ 257,374
Adjustments for non-cash items:		
Unrealized losses (gains) on investments	228,594	(346,461)
Future income tax provision (recovery)	(56,027)	84,380
Changes in non-cash working capital:		
Change in sundry receivables and other assets	(75)	(866)
Change in income taxes receivable	252	(275)
Change in accounts payable and accrued liabilities	(1)	695
Change in income taxes payable	284	(218)
Net cash used in operating activities	(1,718)	(5,371)
Investing Activities		
Purchases of uranium investments	(149,720)	(163,720)
Net cash used in investing activities	(149,720)	(163,720)
Financing Activities		
Additions (repayments) of loans payable	(11,600)	11,600
Share and warrant issues net of issue costs	175,858	144,362
Net cash generated by financing activities	164,258	155,962
Increase (decrease) in cash and cash equivalents	12,820	(13,129)
Cash and cash equivalents – beginning of year	867	13,996
Cash and cash equivalents - end of year	\$ 13,687	\$ 867

The accompanying notes are an integral part of these financial statements.

URANIUM PARTICIPATION CORPORATION
CONSOLIDATED STATEMENT OF INVESTMENT PORTFOLIO
AS AT FEBRUARY 29, 2008

(in thousands of Canadian dollars, except quantity amounts)	Quantity of Measure	Cost ⁽³⁾	Market Value ⁽¹⁾
Investments in Uranium:			
Uranium oxide in concentrates ("U ₃ O ₈ ")	4,475,000 lbs	\$ 194,180	\$ 320,076
Uranium hexafluoride ("UF ₆ ") ⁽²⁾	1,417,230 KgU	\$ 256,766	\$ 277,720
		\$ 450,946	\$ 597,796
U ₃ O ₈ average cost and market value per pound:			
- In Canadian dollars		\$ 43.39	\$ 71.53
- In United States dollars		\$ 37.35	\$ 73.00
UF ₆ average cost and market value per KgU:			
- In Canadian dollars		\$ 181.18	\$ 195.96
- In United States dollars		\$ 166.73	\$ 200.00

⁽¹⁾ The market values have been translated to Canadian dollars using the February 29, 2008 noon foreign exchange rate of 0.9798.

⁽²⁾ Of the UF₆ holding described above, 500,000 KgU has been lent to a third party. See note 6 for further details of this arrangement.

⁽³⁾ The average cost of the portfolio has been adjusted to exclude transaction fees incurred since the Company's inception in March 2005. See note 2 "Accounting Changes" for more details.

The accompanying notes are an integral part of these financial statements.

**URANIUM PARTICIPATION CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED FEBRUARY 29, 2008 AND FEBRUARY 28, 2007**

1. URANIUM PARTICIPATION CORPORATION

Uranium Participation Corporation (“Uranium Corp”) was established under the Business Corporations Act (Ontario) (“OBCA”) on March 15, 2005. Uranium Corp is an investment fund as defined by the Canadian securities regulatory authorities in National Instrument 81-106 “Investment Fund Continuous Disclosure”. Uranium Corp was created to invest substantially all of its assets in uranium oxide in concentrates (“U₃O₈”) and uranium hexafluoride (“UF₆”) (collectively “uranium”) with the primary investment objective of achieving appreciation in the value of its uranium holdings. Uranium Corp trades publicly on the Toronto Stock Exchange under the symbol U.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements include the assets, liabilities, revenues and expenses of Uranium Corp and its wholly owned subsidiaries, Uranium Participation Alberta Corp. and Uranium Participation Cyprus Limited. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). All significant intercompany balances and transactions have been eliminated on consolidation.

Use of Estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from those estimates.

Significant Accounting Policies

(a) Investments

The fair value of investments in uranium are based on the most recent spot prices for uranium published by Ux Consulting Company, LLC prior to the applicable reporting period converted to Canadian dollars using the month end foreign exchange rate.

The cost of investments in uranium is accounted for on the date that significant risks and rewards to the uranium passes to Uranium Corp and is converted to Canadian dollars at the rate of exchange prevailing on that date.

Realized and unrealized gains or losses in uranium represents the difference between the fair value and average cost of uranium investments, adjusted for foreign exchange rate fluctuations, in Canadian dollars.

(b) Investments Lending

Income earned from investments lending is included in the consolidated statement of operations and is recognized when earned.

(c) Foreign Exchange Translation

The financial statements of Uranium Corp are expressed in Canadian dollars. Foreign currency monetary assets and liabilities are translated to Canadian dollars at the rate of exchange prevailing on the date of the applicable reporting period. Foreign currency income and expense transactions are translated into

Canadian dollars at the rate of exchange prevailing on the date of the transaction. Changes in the foreign exchange rates between the transaction date and the applicable reporting period date used to value monetary assets and liabilities are reflected in the statement of operations as a foreign exchange gain or loss.

(d) *Cash and Cash Equivalents*

Cash and cash equivalents consist of cash on deposit and highly-liquid short-term investments in government or investment grade corporate debt. Short-term investments are carried at cost which, together with accrued interest, approximates fair value.

(e) *Income Taxes Payable*

Uranium Corp follows the liability method of accounting for future income taxes. Under this method, current income taxes are recognized from the estimated income taxes payable for the current period. Future income tax assets and liabilities are determined based on temporary differences between financial reporting and tax bases of assets and liabilities, and are measured using the substantively enacted tax rates and laws that are expected to apply when the differences are expected to reverse. The benefit of tax losses which are available to be carried forward are recognized as assets to the extent that they are more likely than not to be recoverable from future taxable income.

Comparative Numbers

Certain classifications of the comparative figures have been changed to conform to those used in the current period.

Accounting Changes

During fiscal 2007, Uranium Corp adopted the provisions of Section 3855, "Financial Instruments – Recognition and Measurement" of the Canadian Institute of Chartered Accountants ("CICA") Handbook. Section 3855 establishes standards for the fair valuation of investments as well as the accounting treatment of transaction costs as follows:

- (a) Fair value measurement - the new standard requires that the fair value of financial instruments, which are traded in active markets, be measured on bid price. Prior to this standard, common practice was to fair value financial instruments based on the last traded price for the day, when available. Adoption of this standard did not impact the Company's valuation of its investments.
- (b) Transaction fees - the new standard requires that transaction fees, such as purchase commissions, incurred in the purchase and sale of investments, be recorded as an expense in the consolidated statement of operations. Prior to this standard, the Company was following a practice of adding purchase commission expenses to the cost of the uranium investments acquired. There are no income tax implications and no impact on the net asset value of the Company in using either of these methods.

The Company has adopted the provisions of Section 3855 retroactively without restatement. There is no impact on the fair value measurement of its uranium investments, its net asset value and its tax liabilities. Purchase commissions are now expensed in the statement of operations as a separate line item. In the statement of investment portfolio at February 29, 2008, the Company has decreased the average cost of its uranium investments to exclude any purchase commissions paid since its inception in March 2005. Prior to the adoption of Section 3855, the average cost of the Company's uranium investments would have included purchase commissions of \$6,765,000 (2008 - \$2,246,000; 2007 - \$2,456,000; 2006 - \$2,063,000).

Recent Pronouncements

The CICA issued the following accounting standards that are effective for the Company's fiscal years beginning on or after March 1, 2008:

- a) Section 1535 “Capital Disclosures” requires the disclosure of both qualitative and quantitative information that enable users to evaluate the company’s objectives, policies and processes for managing capital. This standard is effective for fiscal years beginning on or after October 1, 2007. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.
- b) Section 3862 “Financial Instruments – Disclosures” and Section 3863 “Financial Instruments – Presentation” replace Section 3861 “Financial Instruments – Disclosure and Presentation” and establish standards for increased disclosure and presentation about the nature and extent of risks arising from financial instruments and how the Company manages those risks. These standards are effective for fiscal years beginning on or after October 1, 2007. The Company is currently evaluating the impact of adopting these standards on its consolidated financial statements.
- c) International Financial Reporting Standards – the CICA plans to converge Canadian GAAP with International Financial Reporting Standards (“IFRS”) for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The impact on the transition to IFRS on Uranium Corp’s financial statements has not yet been determined.

3. INCOME TAXES

Unlike most investment funds, Uranium Corp does not qualify as a mutual fund trust and, accordingly, follows the general corporate income tax provisions of the Canadian Income Tax Act. Uranium Corp operates in multiple tax jurisdictions and the related income is subject to varying rates of taxation. The following is a reconciliation of income taxes, calculated at the combined Canadian federal and Ontario provincial rate, to the income tax expense included in the consolidated statement of operations for the years ended February 29, 2008 and February 28, 2007:

(in thousands of Canadian dollars)	February 2008	February 2007
Increase (decrease) in net assets from operations before income taxes	\$(230,483)	\$341,684
Combined federal and Ontario provincial income tax rate	35.69%	36.12%
Computed income tax expense (recovery)	(82,259)	123,416
Large corporations tax in excess of surtax	–	(65)
Operating loss carry-back	(23)	(112)
Difference between combined federal and Ontario provincial income tax rate and rates applicable to subsidiaries in other jurisdictions	17,000	(29,300)
Difference due to use of future tax rates rather than current tax rates in applicable jurisdictions	9,596	(9,718)
Other	(52)	89
Provision for (recovery of) income taxes	\$ (55,738)	\$ 84,310
Provision for (recovery of) income taxes comprised of:		
Current tax expense (recovery)	\$ 289	\$ (70)
Future tax expense (recovery)	(56,027)	84,380
	\$ (55,738)	\$ 84,310

The components of the Company's future tax balances as at February 29, 2008 and February 28, 2007 are as follows:

(in thousands of Canadian dollars)	February 2008	February 2007
Future tax assets:		
Tax benefit of share issue costs	\$ 4,095	\$ 3,893
Tax benefit of loss carryforwards	4,567	3,188
Unrealized loss on investments	1,908	–
Future tax assets	\$ 10,570	\$ 7,081
Future tax liabilities:		
Unrealized gain on investments	\$ 39,953	\$ 94,109
Tax benefit of loss carryforwards	(729)	(279)
Future tax liabilities	\$ 39,224	\$ 93,830

4. COMMON SHARES, WARRANTS AND INCREASE IN NET ASSETS PER SHARE

Common Shares

Uranium Corp is authorized to issue an unlimited number of common shares without par value.

The movement in common shares for the years ended February 29, 2008 and February 28, 2007 is as follows:

(in thousands of Canadian dollars)	February 2008	February 2007
Common shares – beginning of year	\$299,759	\$155,183
Shares issued pursuant to:		
Common share financings		
Gross proceeds on new issues	152,409	151,751
Less: Allocation of proceeds to issued warrants	–	(2,466)
Less: Issue costs	(7,133)	(7,934)
Add: Tax effect of issue costs	2,068	2,618
Warrant activity		
Gross proceeds from exercises	30,582	545
Add: Fair value transfer from warrants	3,518	62
Common shares – end of year	\$481,203	\$299,759

The movement in the number of common shares for the years ended February 29, 2008 and February 28, 2007 is as follows:

(in number of shares)	February 2008	February 2007
Common shares – beginning of year	48,473,727	30,751,325
Shares issued pursuant to:		
New issues	11,634,750	17,636,440
Warrant exercises	4,883,364	85,962
Common shares – end of year	64,991,841	48,473,727

Common share financings

In October 2007, Uranium Corp issued 5,134,750 shares at \$11.20 per share for total gross proceeds of \$57,509,000.

In April 2007, Uranium Corp issued 6,500,000 shares at \$14.60 per share for total gross proceeds of \$94,900,000.

In September 2006, Uranium Corp issued 11,363,650 equity units at \$8.80 per unit for total gross proceeds of \$100,000,000. Each unit consisted of one common share and one-quarter purchase warrant. Each whole warrant allows the holder to purchase one common share at \$12.00 exercisable prior to September 14, 2008. Approximately \$2,466,000 of the proceeds were allocated as the value of the issued warrants.

In May 2006, Uranium Corp issued 6,272,790 shares at \$8.25 per share for total gross proceeds of \$51,751,000.

Warrants

The movement in warrants for the years ended February 29, 2008 and February 28, 2007 is as follows:

(in thousands of Canadian dollars)	February 2008	February 2007
Warrants – beginning of year	\$ 6,003	\$ 3,599
Warrants issued during the year	–	2,466
Warrants exercised during the year	(3,518)	(62)
Warrants expired during the year	(30)	–
Warrants – allocated fair value end of year	\$ 2,455	\$ 6,003
Warrant allocated fair value comprised of:		
May 2005 equity unit financing	–	3,538
September 2006 equity unit financing	2,455	2,465
	\$ 2,455	\$ 6,003

The movement in the number of warrants for the years ended February 29, 2008 and February 28, 2007 is as follows:

(in number of warrants)	February 2008	February 2007
Warrants – beginning of year	7,753,624	4,998,675
Warrants issued during the year	–	2,840,911
Warrants exercised during the year	(4,883,364)	(85,962)
Warrants expired during the year	(41,461)	–
Warrants – end of year	2,828,799	7,753,624
Warrants outstanding by issue:		
May 2005 equity unit financing	–	4,914,150
September 2006 equity unit financing	2,828,799	2,839,474
	2,828,799	7,753,624

When the net asset value from operations per common share of the fund exceeds the exercise prices of the warrants, the warrants will have a dilutive impact. The May 2005 equity unit financing warrants were fully exercised or expired as of May 10, 2007. As at February 29, 2008, none of the outstanding warrants are dilutive to the net asset value of the fund.

Increase in Net Assets from Operations per Share

The calculation of the basic and diluted increase (decrease) in net assets from operations per common share was based on the following weighted average number of shares outstanding for the years ended February 29, 2008 and February 28, 2007:

(in number of shares)	February 2008	February 2007
Weighted average number of shares outstanding:		
Basic	60,007,756	40,991,927
Add: Warrant Dilution	–	1,859,546
Diluted	60,007,756	42,851,473

5. RELATED PARTY TRANSACTIONS

Uranium Corp is a party to a management services agreement with Denison Mines Inc., (the “Manager”). Under the terms of the agreement, Uranium Corp will pay the following fees to the Manager: a) a commission of 1.5% of the gross value of any purchases or sales of uranium completed at the request of the Board of Directors; b) a minimum annual management fee of \$400,000 (plus reasonable out-of-pocket expenses) plus an additional fee of 0.3% per annum based upon Uranium Corp's net asset value between \$100,000,000 and \$200,000,000 and 0.2% per annum based upon Uranium Corp's net asset value in excess of \$200,000,000; c) a fee of \$200,000 upon the completion of each equity financing where proceeds payable to Uranium Corp exceed \$20,000,000; d) a fee of \$200,000 for each transaction or arrangement (other than the purchase or sale of uranium) of business where the gross value of such transaction exceeds \$20,000,000 (“an initiative”); and e) an annual fee up to a maximum of \$200,000, at the discretion of the Board, for on-going maintenance or work associated with an initiative.

In accordance with the management services agreement, all uranium investments owned by Uranium Corp are held in accounts with conversion facilities in the name of Denison Mines Inc. as manager for and on behalf of Uranium Corp.

Uranium Corp entered into two credit agreements with the Manager. A \$25,000,000 revolving credit facility entered into in March 2006 (“March 2006 credit facility”) and a \$15,000,000 revolving credit facility entered into in September 2006 (“September 2006 credit facility”). The March 2006 credit facility charged interest of Canadian bank prime plus 2% with standby fees of 1% of the committed facility amount. The September 2006 credit facility charged interest of Canadian bank prime plus 1% with standby fees of 1% of the committed facility amount. Both credit agreements have since been terminated with \$10,000,000 drawn and repaid under the March 2006 credit facility and \$11,600,000 drawn and repaid under the September 2006 credit facility.

In June 2007, Uranium Corp purchased 75,000 pounds of U₃O₈ from the Manager at a price of US\$130.00 per pound for total consideration of \$10,368,000 (US\$9,750,000).

The following transactions were incurred with the Manager during the years ended February 29, 2008 and February 28, 2007:

(in thousands of Canadian dollars)	February 2008	February 2007
Fees incurred with the Manager:		
Management fees	1,901	997
Facility arrangement fees	–	400
Equity financing fees ⁽¹⁾	400	400
Transaction fees – uranium purchase commissions	2,246	2,456
Shareholder Information and other compliance	6	30
General office and miscellaneous	4	12
Interest and other debt related expenses		
Interest on loan payable	91	313
Standby fees on line of credit	4	63
Total fees incurred with the Manager	\$ 4,652	\$ 4,671

⁽¹⁾ Equity financing fees incurred with the Manager have been recorded as share issue costs and are included in value reported for common shares.

As at February 29, 2008, accounts payable and accrued liabilities included \$162,000 due to the Manager with respect to the fees indicated above.

6. INVESTMENTS LENDING

As at February 29, 2008, the outstanding value of investments on loan and collateral held is as follows:

(in thousands of Canadian dollars, except quantity amounts)	Quantity of Measure	Market Value of Investments on Loan	Collateral Held
Uranium hexafluoride (“UF ₆ ”)	500,000 KgU	\$ 97,980	\$ 152,582

The UF₆ loaned is subject to a loan fee of 5% per annum based upon the adjusted quarterly value of the material. Collateral held is in the form of an irrevocable letter of credit from a major financial institution, that is subject to adjustment on an annual basis.

7. SUBSEQUENT EVENTS

In February 2008, the Manager agreed to purchase, for and on behalf of Uranium Corp, 900,000 pounds of U₃O₈ for a total price of US\$64,900,000 (excluding commissions). 200,000 pounds of this purchase was delivered in March 2008 with the remainder anticipated to be delivered on or before May 31, 2008.

In March 2008, the Manager agreed to purchase, for and on behalf of Uranium Corp, 75,000 KgU as UF₆ for a total price of US\$14,625,000 (excluding commissions) with delivery in June 2008.

On March 19, 2008, Uranium Corp closed an aggregate offering of 7,331,250 common shares at \$10.20 per share for total gross proceeds of \$74,779,000. The proceeds from the offering together with existing cash on hand was and will be used to fund the above-noted purchase commitments.