

**Uranium
Participation
Corporation**



**ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

June 23, 2009

**Presentation by
RON F. HOCHSTEIN, President**

www.uraniumparticipation.com

Good morning ladies and gentlemen and welcome to Uranium Participation Corporation's fourth Annual General Meeting of Shareholders.

During the course of my presentation I will be providing some forward-looking information and would refer you to the cautionary statement included in our prospectus, dated May 20, 2009. My references to uranium prices will be to U. S. dollars, otherwise I will be referring to Canadian dollars.

In 2007, the major uranium story was the volatility of the quoted U_3O_8 spot price and its significant divergence from the long-term price. Well, 2008 wasn't much different from 2007. The spot price and long-term price seemed at odds for most of the year, with the spot price in a steady decline for much of 2008. This affected UPC directly because the spot price is one of the primary factors in the determination of our monthly Net Asset Value, or NAV. Other factors which impact the NAV determination, are the UF_6 spot price and the U.S./Cdn dollar exchange rate.

At the beginning of 2008, the spot price was \$73 and the long-term price was \$95 per pound. By June 2008, the spot price had declined 22% to \$57. Hope was brief in July and August when the spot price recovered to \$64.50; but, then the decline resumed. The spot price hit a low of \$45 in October, rebounded briefly to \$55 and ended the year at \$45. Since then, the spot price has recovered and is currently at \$54.00, rising 10% in the past two weeks.

The UF_6 spot price per KgU experienced a similar rollercoaster decline, starting the year at \$200. Declining to \$162 in June, before bouncing back in July and August – just like the spot price, before declining to a low of \$125 at the end of October. Recovering to \$150 in November and then slowly declining to end the fiscal year at \$126 per KgU. As of the end of May, the quoted UF_6 spot price has recovered somewhat to \$136.

The third component of the Company's NAV, and an important component, is the U.S./Canadian currency exchange rate. It is a significant component because the value of the commodity that UPC holds is determined in U.S. dollars and our NAV is in Canadian dollars. As a result a falling exchange rate, that is a strengthening of the Canadian dollar, negatively impacts the Company's NAV. The fiscal year began with the Canadian dollar stronger than the U.S. dollar with the exchange rate at a level of 0.98. The Canadian dollar traded near parity with the U.S. dollar until August when the U.S. dollar began to strengthen. The exchange rose to a level of 1.29 by October before settling into the 1.22 to 1.25 range by fiscal year end. The U.S. dollar has since weakened and the current exchange rate is approximately 1.15 U.S. dollars to the Canadian dollar.

The impact of all the changes to uranium spot price, UF_6 price and exchange rate was a up and down year for the NAV, but overall a downward trend. We started 2008 with a basic NAV per share of \$8.96. By June 2008, the NAV dropped to \$7.75 due to drops in uranium prices offset slightly by a rising exchange rate. During the summer, the NAV recovered to \$8.72. But then the decline resumed, with our NAV ending the year at \$7.49. Since the end of the year, the uranium price recovery has been offset by the

weakening of the U.S. dollar, resulting in an NAV of \$7.12 per share at the end of May, 2009.

We remain bullish about the future demand for uranium because uranium supply/demand fundamentals are strong.

The market for uranium as a fuel for power generation continues to expand. According to the World Nuclear Association there are 436 nuclear power reactors currently operating in 30 countries, supplying more than 2.6 trillion kWh – or roughly 15% of the world's electricity. There are 45 reactors currently under construction. There are another 131 reactors on order or at the planning stage, and an additional 282 are proposed. 14 new countries are expected to join the nuclear power club including Belarus, Egypt, Israel, Italy, Poland, Thailand and Vietnam.

Why all this activity? Three reasons:

1. Nuclear-generated electricity is clean. It reduces the world's carbon footprint and helps eliminate greenhouse gases. (Coal-fired plants are under mounting pressure to reduce their greenhouse gases but at significant costs. Carbon sequestration is the only known method, with estimates of \$1 trillion to upgrade the U.S. coal fired plants.)
2. It's economical. In a comparison study released by the U.S. Congressional Budget Office in May 2008, nuclear power was rated the cheapest power source, in terms of operating cost, when compared with conventional coal, conventional natural gas and clean coal or clean natural gas.
3. And ... it's safe and getting safer as new reactor designs become more efficient.

At the same time as the demand for nuclear power increases, the incremental supply of fuel-grade uranium and UF₆ from inventories, down-blending of weapons-grade material, reprocessing of spent fuel rods, other stockpiles, and existing and new primary production is diminishing.

Future demand for uranium is relatively easy to forecast. Nuclear power plants, by their very nature, unlike other sources of electricity, have to be kept operational at high load factors to achieve optimal economics. The result of this is that the demand for nuclear fuel is more predictable than most other commodities used in the generation of electricity, like coal, oil and natural gas. Demand forecasts for uranium therefore depend largely on the current installed and operable nuclear power generation capacity plus the estimated increased future capacity.

In 2008, according to The Ux Consulting Company LLC, the total market for uranium was 181 million pounds. In 2009, the demand is expected to range between 171 and 184 million pounds. Existing and new production is expected to provide approximately 125 million pounds. The remainder must come from inventories, stockpiles, HEU feed

supplies, and/or alternate feed stock. By 2015, Ux forecasts a demand of 174 to 214 million pounds and 234 million pounds by 2020, with the increase most notably from China, India and Russia. This increase must come from new uranium production.

However, production problems continue to plague uranium producers around the world. At BHP Billiton's Olympic Dam mine in south Australia, expansion is taking longer than expected and there is speculation that the announced expansion of the mine may be scaled back. Cameco's Cigar Lake here in Canada project faces continued delays and some analysts are predicting the earliest startup dates of 2014 or 2015. In Kazakhstan there are delays in projected production increases. Closer to home, your Manager Denison Mines, due to the decline in uranium prices, has shut down conventional uranium ore processing at the White Mesa mill in Utah; placed four of its U.S. mines on care and maintenance; postponed the Midwest Project in northern Saskatchewan; and delayed opening of the Caribou mine, also in northern Saskatchewan. Primary uranium production, which currently supplies only about 63% of the demand simply is not expanding at the same rate as the demand or as previously forecast. We expect this trend to continue.

Not to be forgotten is the fact that any new production mines take an inordinate amount of time to find, develop, permit and get into production. All of these factors impact dramatically the uranium supply/demand cycle and affect the market environment in which UPC invests.

Turning now to UPC's activities in fiscal 2008.

In March 2008, despite the weakness in the uranium price, UPC was able to issue 7.3 million shares at \$10.20 per share in a bought-deal financing that raised gross proceeds of \$74.8 million.

The proceeds of the deal were used to purchase 950,000 pounds of U_3O_8 at an average price of \$71.71 per pound and 75,000 KgU as UF_6 at an average price of \$195.00 per KgU.

As of February 28, 2009, The Company held 5,425,000 pounds U_3O_8 at an average cost of \$48.80 per pound and 1,492,230 KgU of UF_6 at an average cost of \$181.92 per KgU.

Included in the 1,492,230 KgU of UF_6 that UPC is holding is half a million KgUs that were loaned to a producer for a period of three years starting January 1, 2007. This arrangement generated loan fee revenues of \$4.6 million in 2008 and also reduced our storage costs. The agreement is secured by an irrevocable letter of credit.

The market value of UPC's investment portfolio at fiscal year end, based on the spot price of \$45 per pound and a foreign exchange rate of 1.2707, was \$549,128,000 with a total cost of \$534,031,000.

The net result in our portfolio is that our net asset value decreased from \$582.5 million last February 29th to \$541.4 million at February 28th 2009 and our basic NAV per share dropped from \$8.96 to \$7.49 per share – a basic NAV loss of approximately 16%. Over the comparable time period, UPC's benchmark, the S&P/TSX Composite Index, decreased by 40.2%.

UPC's investment operations resulted in a \$132.9 million loss for the year ended February 28, 2009. This was driven almost entirely by unrealized losses on uranium investments of \$131.7 million net of tax recovery movements of \$19.4 million.

Operating expenses totaled \$5.9 million including:

- \$1.3 million for transaction fees relating to uranium purchase commissions;
- \$1.5 million in management fees;
- \$1.3 million in storage fees;
- And \$952,000 attributable to foreign exchange loss on U.S. currency that we held for uranium purchases.

During the year, cash expenses of approximately \$4.9 million somewhat exceeded realized cash revenue of approximately \$4.7 million.

Movement of the UPC common share price has, to a large extent, reflected the volatility of the U₃O₈ spot price. It started the year at \$11.55, and then trended down, closing at \$4.80 in mid October. At fiscal year end, it closed at \$6.01 and is now trading in the \$7 to \$8 range.

Subsequent to the year end, in May 2009, we closed another equity offering of 11,625,000 shares at \$7.75 per share for gross proceeds of \$103.6 million. The proceeds were used to purchase 100,000 pounds U₃O₈ for \$4.6 million and 470,000 KgU of UF₆ for \$62 million. Delivery of the U₃O₈ was made this month and delivery of the UF₆ is expected at various dates over the balance of 2009.

Since inception, UPC has invested approximately 90% of the gross proceeds raised in its portfolio of uranium investments, based on current exchange rates, and its average purchase price is still below current market prices.

UPC's primary investment objective is to achieve long-term appreciation of our uranium holdings, hence our buy-and-hold strategy. Our policy is that we will continue to look for buying opportunities and raise money to complete these purchases, but only if the deal is accretive to shareholder value.

Your management team at Denison Mines and your independent board of directors believes that UPC is uniquely positioned to take advantage of the expanding market and price for uranium.

Thank you. Are there any questions?