Uranium Participation Corporation

Press Release

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URANIUM PARTICIPATION CORPORATION REPORTS FINANCIAL RESULTS FOR THE YEAR ENDED FEBRUARY 28, 2010

TORONTO, April 22, 2010 -- Uranium Participation Corporation ("Uranium Corp") reports results for the year ended February 28, 2010. All amounts are in Canadian currency unless otherwise noted.

The Company recorded negative revenue for the year as a result of unrealized losses on its uranium investment due to the decline in the spot price of uranium during the year.

Revenue for the year was negative $142.2 million (2009 - $127.0 million negative) consisting of $145.4 million in unrealized losses in the value of the Company's uranium investments (2009 - $131.8 million unrealized loss), $3.1 million (2009 - $4.6 million) in income from investment lending and $0.1 million (2009 - $0.2 million) in interest earned on invested cash.

Expenses for the year totaled a net recovery of $10.1 million (2009 - $13.5 million recovery) which included a $14.8 million recovery of future income taxes related to the unrealized loss.

Net asset value decreased from $541.4 million at February 28, 2009 to $509.6 million at February 28, 2010. Basic net asset value per common share based upon the uranium spot price of US$41.75 per pound decreased $1.54 or 21% to $5.95 at February 28, 2010.

About Uranium Participation Corporation

Uranium Participation Corporation is an investment holding company which invests substantially all of its assets in uranium oxide in concentrates (U_3O_8) and uranium hexafluoride (UF_6) (collectively "uranium"), with the primary investment objective of achieving appreciation in the value of its uranium holdings. Additional information about Uranium Participation Corporation is available on SEDAR at www.sedar.com and on Uranium Participation Corporation's website at www.uraniumparticipation.com.

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Uranium Participation Corporation
Annual Management Report of Fund Performance
February 28, 2010

DISCLOSURE

This Annual Management Report of Fund Performance contains financial highlights but does not contain the complete Audited Annual Consolidated Financial Statements of Uranium Participation Corporation ("Uranium Corp" or "Corporation"). You can get a copy of the Audited Annual Consolidated Financial Statements at your request, and at no cost, by calling 416-979-1991, by writing to us at 595 Bay Street, Suite 402, Toronto, Ontario, M5G 2C2, or by visiting our website at www.uraniumparticipation.com or SEDAR at www.sedar.com. You may also contact us to obtain a copy of Uranium Corp's quarterly portfolio disclosure.

Uranium Corp holds physical commodities and not equity security investments. As a result, Uranium Corp does not have an investment proxy voting disclosure record, nor does it have proxy voting policies and procedures.

This Annual Management Report of Fund Performance is current as of April 22, 2010. All amounts are in Canadian dollars unless otherwise indicated.

CAUTION REGARDING FORWARD LOOKING INFORMATION

This Annual Management Report of Fund Performance contains certain forward looking statements and forward looking information that are based on the company's current internal expectations, estimates, assumptions and beliefs. Forward looking statements generally can be identified by the use of forward looking terminology such as "may", "will", "expect", "intent", "estimate", "anticipate", "plan", "should", "believe" or "continue" or the negative thereof or variations thereon or similar terminology.

By their very nature, forward looking statements involve numerous assumptions and estimates. A variety of factors, many of which are beyond the control of Uranium Corp, may cause actual results to differ materially from the expectations expressed in the forward looking statements. See "RISK FACTORS" included later in the Annual Management Report of Fund Performance for a further description of the principal risks of Uranium Corp.

These and other factors should be considered carefully, and readers are cautioned not to place undue reliance on these forward looking statements. Although management reviews the reasonableness of its assumptions and estimates, unusual and unanticipated events may occur which render them inaccurate. Under such circumstances, future performance may differ materially from those expressed or implied by the forward looking statements. Except where required under applicable securities legislation, Uranium Corp does not undertake to update any forward looking information.

URANIUM PARTICIPATION CORPORATION

Uranium Corp was incorporated on March 15, 2005 under the Ontario Business Corporations Act. Uranium Corp was created to invest in, hold and sell uranium oxide in concentrates ("U_3O_8") and uranium hexafluoride ("UF_6") (collectively "uranium"). Uranium Corp invests in and holds physical uranium through its wholly-owned subsidiaries, Uranium Participation Alberta Corp. and Uranium Participation Cyprus Limited (the "Subsidiaries"). Uranium Participation Alberta Corp. was incorporated on May 4, 2005 under the Alberta Business Corporations Act and Uranium Participation Cyprus Limited ("UPCL") was incorporated on September 10, 2006 under the laws of the Republic of Cyprus. In August 2007, UPCL obtained a business license and established a branch office in Luxembourg through which the operations of UPCL are conducted. Unless otherwise indicated or where the context otherwise requires, references to "Uranium Corp" or the "Corporation" includes the Subsidiaries.

Uranium Corp is governed by its board of directors (the "Board of Directors") and administered by Denison Mines Inc. (the "Manager") pursuant to a management services agreement (the "Management Services Agreement"). The common shares of Uranium Corp trade publicly on the Toronto Stock Exchange under the symbol "U".

Uranium Corp established an Independent Review Committee ("IRC") from its qualified independent Board members in October 2007. The IRC has adopted a mandate that provides that the IRC must provide a recommendation or approval of transactions in which there is a conflict of interest between the Corporation and its Manager, as contemplated by National Instrument 81-107, Independent Review Committee for Investment Funds of the Canadian Securities Administrators ("NI 81-107"). The IRC prepares a report to shareholders on at least an annual basis. The report is available on Uranium Corp's website at www.uraniumparticipation.com and is also available to shareholders at no cost by contacting the Corporation at info@uraniumparticipation.com.

Uranium Corp is an investment fund as defined by the Canadian securities regulatory authorities in National Instrument 81-106-*Investment Fund Continuous Disclosure*. Unlike many investment funds, Uranium Corp does not qualify as a mutual fund trust under the provisions of the Income Tax Act (Canada) (the "Act") and, accordingly, follows the general corporate income tax provisions of the Act.

INVESTMENT OBJECTIVES AND STRATEGY

The primary investment objective of Uranium Corp is to achieve long-term appreciation in the value of its uranium holdings through a buy and hold investment strategy and not actively speculate with regard to short-term changes in uranium prices. While it is not the current intention of Uranium Corp to do so in the short term, it may subsequently sell some or all of its uranium holdings. Ownership of the Corporation's common shares represents an indirect interest in ownership of physical uranium. This provides an investment alternative for investors interested in investing in this commodity without incurring the risks associated with investments in companies that explore for, mine and process uranium related products.

In implementing the investment strategy of the Corporation, at least 85% of the gross proceeds of any equity offering will be invested in, or set aside for future purchases of uranium. In strictly limited circumstances, the Corporation can enter into borrowing arrangements to facilitate the purchases of uranium where the current cash on hand is not adequate to cover such commitments. The maximum amount of any such borrowing cannot exceed 15% of the net assets of Uranium Corp. The Corporation may also enter into uranium lending transactions in order to earn additional returns.

For a more detailed description of the Corporation's investment policies and by-laws, please refer to Uranium Corp's Annual Information Form available on SEDAR.

INVESTMENT RISK

There are a number of factors that could negatively affect Uranium Corp's business and the value of Uranium Corp's securities, including the factors listed below. Such factors could materially affect the Corporation's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Corporation. The following information pertains to the outlook and conditions currently known to Uranium Corp that could have a material impact on the financial condition of Uranium Corp. This information, by its nature, is not all-inclusive. It is not a guarantee that other factors will not affect Uranium Corp in the future.

Uranium Price Volatility from Demand and Supply Factors

Since almost all of Uranium Corp's activities involve investing in uranium, the value of its securities will be highly sensitive to fluctuations in the prices of uranium. Historically, the fluctuations in these prices have been, and will continue to be, affected by numerous factors beyond Uranium Corp's control. Such factors include, among others: demand for nuclear power; improvements in nuclear reactor efficiencies; reprocessing of used reactor fuel and the re-enrichment of depleted uranium tails; sales of excess civilian and military inventories (including from the dismantling of nuclear weapons) by governments and industry participants; and production levels and production costs in key uranium producing countries.

Since UF_6 is a different commodity than U_3O_8, its price is affected by its own supply/demand balance as well as the supply/demand balances of U_3O_8 and for conversion services. As a result, the UF_6 price may move differently than the spot price of U_3O_8 or the spot conversion price alone. The factors that affect the UF_6 price will affect the net asset value ("NAV") of the Corporation, which in turn may affect the price of the Corporation's securities.

Set out in the table below is the spot price for U_3O_8 per pound and the UF_6 price per KgU at December 31 for the five calendar years ended December 31, 2009, and at February 28, 2010[(1)].

	December 31					February 28
	2005	**2006**	**2007**	**2008**	**2009**	**2010**
U_3O_8	$36.25	$72.00	$90.00	$53.00	$44.50	$41.75
UF_6	$105.00	$199.00	$240.00	$145.00	$118.00	$114.00

(1) As published by Ux Consulting Company, LLC ("UxCo") in U.S. dollars.

No Public Market for Uranium

There is no public market for the sale of uranium. The uranium future market on NYMEX does not provide for physical delivery of uranium, only cash on settlement; and the trading forum by certain buyers does not offer a formal market but rather facilitates the introduction of buyers to sellers. Uranium Corp may not be able to acquire uranium, or once acquired, sell uranium for a number of months. The pool of potential purchasers and sellers is limited and each transaction may require the negotiation of specific provisions. Accordingly, a purchase or sale cycle may take several months to complete. In addition, as the supply of uranium is limited, Uranium Corp may experience additional difficulties purchasing uranium in the event that it is a significant buyer. The inability to purchase and sell on a timely basis in sufficient quantities could have a material adverse effect on the securities of Uranium Corp.

From time to time, the Corporation enters into commitments to purchase U_3O_8 or UF_6. Such commitments are generally subject to conditions in favour of both the vendor and the Corporation, and there is no certainty that the purchases contemplated by such commitments will be completed.

Uranium Industry Competition and International Trade Restrictions

The international uranium industry, including the supply of uranium concentrates, is competitive. Supplies are available from a relatively small number of western world uranium mining companies, from certain republics of the former Soviet Union, from excess inventories, including inventories made available from decommissioning of nuclear weapons, from reprocessed uranium and plutonium, from used reactor fuel, and from the use of excess Russian enrichment capacity to re-enrich depleted uranium tails held by European enrichers in the form of UF_6. The supply of uranium from Russia and from certain republics of the former Soviet Union is, to some extent, impeded by a number of international trade agreements and policies. These agreements and any similar future agreements, governmental policies or trade restrictions are beyond the control of the Corporation and may affect the supply of uranium available for sale and use in the United States and Europe, which are the largest markets for uranium in the world.

Foreign Exchange Rates

Uranium Corp maintains its accounting records, reports its financial position and results, pays certain operating expenses and its securities trade in Canadian currency. As the prices of uranium are quoted in U.S. currency, fluctuations in the U.S. currency exchange rate relative to the Canadian currency can significantly impact the valuation of uranium and the associated purchase price from a Canadian currency perspective. Because exchange rate fluctuations are beyond Uranium Corp's control, there can be no assurance that such fluctuations will not have an adverse effect on Uranium Corp's operations or on the trading value of its common shares.

Risks Associated with the Facilities

Under the Management Services Agreement, the Manager is required to arrange for all uranium to be stored at licensed uranium conversion or enrichment facilities ("Facilities") and to ensure that the Facilities provide satisfactory indemnities for the benefit of Uranium Corp or ensure that Uranium Corp has the benefit of insurance arrangements obtained on standard industry terms. There is no guarantee that either the indemnities or insurance in favour of Uranium Corp will fully cover or absolve Uranium Corp in the event of loss or damage. Uranium Corp may be financially and legally responsible for losses and/or damages not covered by indemnity provisions or insurance. Such responsibility could have a material adverse effect on the financial condition of Uranium Corp.

All uranium is stored at licensed Facilities. As the number of duly licensed Facilities is limited, there can be no assurance that new arrangements that are commercially beneficial to Uranium Corp will be readily available. Failure to negotiate commercially reasonable storage terms with the Facilities may have a material adverse effect on the financial condition of Uranium Corp.

Lack of Operational Liquidity

The expenses of Uranium Corp are funded from cash on hand that is not otherwise invested in uranium and revenue from the lending of uranium. Once such cash available has been expended, Uranium Corp may generate cash from either the lending or sale of uranium, or the sale of additional equity securities. There is no guarantee that Uranium Corp will be able to sell additional equity or equity related securities on terms acceptable to Uranium Corp in the future, that Uranium Corp will be able to sell uranium in a timely or profitable manner or that Uranium Corp will be able to generate revenue through lending arrangements.

Competition from Other Energy Sources and Public Acceptance of Nuclear Energy

Nuclear energy competes with other sources of energy, including oil, natural gas, coal and hydro-electricity. These other energy sources are to some extent interchangeable with nuclear energy, particularly over the longer term. Sustained lower prices of oil, natural gas, coal and hydro-electricity, as well as the possibility of developing other low cost sources for energy, may result in lower demand for uranium. Technical advancements in renewable and other alternate forms of energy, such as wind and solar power, could make these forms of energy more commercially viable and put additional pressure on the demand for uranium concentrates.

Furthermore, growth of the uranium and nuclear power industry will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. Because of unique political, technological and environmental factors that affect the nuclear industry, the industry is subject to public opinion risks which could have an adverse impact on the demand for nuclear power and increase the regulation of the nuclear power industry. An accident at a nuclear reactor anywhere in the world could impact on the continued acceptance by the public and regulatory authorities of nuclear energy and the future prospects for nuclear generators, which could have a material adverse effect on Uranium Corp.

Lack of Investment Liquidity

Uranium Corp is not a mutual fund trust, and an investment in its common shares is not redeemable. Uranium Corp's liquidity will rely principally on sales or lending by Uranium Corp of uranium. Accordingly, Uranium Corp may not have the resources to declare any dividends or make other cash distributions unless and until a determination is made to sell a portion of its uranium holdings.

Since inception, the Corporation has not declared any dividends and the Corporation has no current intention to declare any dividends.

Net Asset Value

The NAV reported by Uranium Corp is based on the spot price of uranium published by UxCo. Accordingly, the NAV may not necessarily reflect the actual realizable value of uranium held by Uranium Corp.

The NAV is calculated by deducting the Corporation’s liabilities from its assets as at the relevant period end and dividing the result by the number of common shares outstanding. These liabilities include liabilities for future income taxes. Unlike most investment funds, the Corporation does not qualify as a mutual fund trust, making it subject to income tax on its taxable income.

Market Price of Common Shares

It appears that the market price of the common shares is related to the NAV. Uranium Corp cannot predict whether the common shares will, in the future, trade above, at or below the NAV. The market price of the common shares may also be affected by the management expense ratio, which is calculated for each reporting period as the total investment operation expenses (including income tax provisions) for the period over the average net asset value of the Corporation.

Reliance on Board of Directors and Manager

Uranium Corp is a self-governing corporation that is governed by the Board of Directors appointed and elected by the holders of common shares. Uranium Corp will, therefore, be dependent on the services of its Board for investment decisions and the Manager for management services.

Resignation by Manager

The Manager may terminate the Management Services Agreement after the initial term in accordance with the terms thereof. Uranium Corp may not be able to readily secure similar services to, or at management fees comparable to those under the Management Services Agreement, and its operations may therefore be adversely affected.

Conflict of Interest

Directors and officers of Uranium Corp may provide investment, administrative and other services to other entities and parties. The directors and officers of Uranium Corp have devoted, and have undertaken to devote, such reasonable time as is required to properly fulfill their responsibilities in respect to the business and affairs of Uranium Corp as they arise from time to time.

Uranium Lending

The Corporation has and may again enter into uranium lending arrangements. It has, and will in the future, ensure that adequate security is provided for any loaned uranium. However, there is a risk that the borrower may not be able to return the uranium and may, in lieu, repay the equivalent value of borrowed uranium in cash. In such circumstances, given the limited supply of U_3O_8 and UF_6, the Corporation may not be able to replace the uranium loaned from its portfolio.

Regulatory Change

Uranium Corp may be affected by changes in regulatory requirements, customs, duties or other taxes. Such changes could, depending on their nature, benefit or adversely affect Uranium Corp.

General Economic Downturn

Increases in spot market volumes may continue to be impacted by the current global economic downturn causing downward pressure on the spot prices for uranium.

Decreased availability of credit for construction of new reactors and exploration as well as the amount of incremental supply of uranium made available to the market from remaining excess inventories, HEU Feed supplies, other stockpiles and the availability of new production form other uranium producers are all influenced by the current global economic downturn resulting in part from the recent global financial crisis.

RESULTS OF OPERATIONS

Uranium Corp's basic NAV decreased from $7.49 per share at February 28, 2009 to $5.95 at February 28, 2010 representing a basic NAV loss of 20.6%. Over the comparable time period, Uranium Corp's benchmark, the S&P/TSX Composite Index, increased by 43.2%.

Uranium Corp's net assets at February 28, 2010 were $509,592,000 representing a 5.9% decrease from net assets of $541,397,000 at February 28, 2009. Of the net asset decrease of $31,805,000 over the period, $132,070,000 was attributable to the decrease in net assets from operations after taxes offset by after-tax net proceeds of additional equity issues of $100,265,000.

Equity Financing

In the prior period, March 2008, Uranium Corp issued 7,331,250 shares by way of a public offering priced at $10.20 per share for gross proceeds of $74,779,000.

In May 2009, Uranium Corp issued 13,368,750 shares by way of a public offering priced at $7.75 per share for total gross proceeds of $103,608,000.

As at February 28, 2010, Uranium Corp had 85,697,341 common shares issued and outstanding.

Since inception, Uranium Corp has raised gross proceeds of $647,047,000 through common share and equity unit financings and $31,202,000 from the exercise of warrants. Uranium Corp invested $609,448,000 or 89.9% of these amounts into its portfolio of uranium investments.

Investment Portfolio

During the year, Uranium Corp increased its U_3O_8 holdings by 120,000 pounds, raising its total holdings to 5,545,000 pounds at February 28, 2010. The cost of U_3O_8 acquired in the year was $5,879,000 or $48.99 per pound. This increased the total cost of Uranium Corp's holdings to $268,445,000 or $48.41 per pound. The fair value of this investment at February 28, 2010 was $243,681,000 or $43.95 [(1)] per pound, representing a decrease of 9.2%. On a U.S dollar basis, the fair value of this investment has decreased by 3.8%.

During the year, Uranium Corp increased its UF_6 holdings by 470,000 KgU, raising its total holdings to 1,962,230 KgU at February 28, 2010. The cost of UF_6 acquired in the year was $69,537,000 or $147.95 per KgU. This increased the total cost of Uranium Corp's holdings to $341,003,000 or $173.78 per KgU. The fair value of this investment at February 28, 2010 was $235,461,000 or $120.00 [(1)] per KgU, representing a decrease of 31.0%. On a U.S dollar basis, the fair value of this investment has decreased by 28.5%.

Uranium Corp entered into a lending arrangement effective January 1, 2007 to loan 500,000 KgU as UF_6 to a producer for a period of three years. This arrangement, which generated loan fee revenues and reduced storage costs, was collateralized by an irrevocable letter of credit. The agreement expired on December 31, 2009 with the UF_6 returned on that date.

Uranium Corp entered into a loan of the conversion component of 1,332,230 KgU as UF_6 in December 2009. The conversion component is subject to a loan fee of 4.5% per annum based on the greater of the adjusted monthly value and US$15,654,000. To facilitate the loan of the conversion component, 1,332,230 KgU as UF_6 was transferred to the borrower with 3,480,944 pounds of U_3O_8 transferred to Uranium Corp and an irrevocable letter of credit received as collateral. In addition to generating loan fees, the agreement will effectively reduce some of Uranium Corp's storage costs. This agreement is due to expire in December 2012.

(1) Reflects spot prices published by UxCo on February 22, 2010 of US$41.75 per pound for U_3O_8 and US$114.00 per KgU for UF_6 translated at a foreign exchange rate of 1.0526.

Investment Performance

Investment operation losses of $132,070,000 for the year ended February 28, 2010 have been largely driven by unrealized losses on uranium investments of $145,403,000 net of tax recovery movements of $14,821,000.

Unrealized losses on investments result from U_3O_8 prices declining from US$45.00 at February 28, 2009 to US$41.75 at February 28, 2010, as reported by UxCo along with the weakening of the U.S. dollar relative to the Canadian dollar from 1.2707 at February 28, 2009 to 1.0526 at February 28, 2010. Similarly, UF_6 spot prices declined from US$126.00 per KgU at February 28, 2009 to US$114.00 at February 28, 2010.

Uranium Corp is not a mutual fund trust, therefore it is subject to income tax on its taxable income, computed in accordance with the ordinary rules and at rates ordinarily applicable to public corporations in its various jurisdictions. The substantively enacted future tax rates, in Uranium Corp's various jurisdictions, range from 3% to 25%. In the current year, Uranium Corp has provided for a current tax expense of $53,000 and a future tax recovery of $14,874,000. The combined tax recovery for the current year of $14,821,000 reflects an effective tax rate of approximately 10% compared to a tax recovery of $19,417,000 and an effective tax rate of 15% in the prior year. The decline in the effective tax rate is primarily a result of an increase in the proportion of inventory held in Uranium Corp's wholly owned subsidiary, UPCL. UPCL is taxed at the lowest rate within Uranium Corp's group of companies.

RECENT DEVELOPMENTS

On March 30, 2010, Uranium Corp completed the acquisition of Uranium Limited ("UL") pursuant to a scheme of arrangement under the laws of Guernsey. Under the terms of the transaction, Uranium Corp acquired all of the issued and outstanding shares of UL in a share exchange at a ratio of 0.5 common shares of Uranium Corp for each common share of UL. As a result, an aggregate of 20,624,972 common shares were issued to former shareholders of UL.

UL is an investment company created to invest substantially all of its assets in natural uranium with the primary investment objective of achieving capital appreciation in the value of its uranium holdings. UL held 1,705,000 pounds of U_3O_8 and 412,000 KgU as UF_6 prior to the close of the transaction. After completion of the transaction, Uranium Corp transferred the uranium assets of UL to UPCL. Of the 1,705,000 pounds of U_3O_8 transferred, 520,000 pounds are subject to a loan agreement, at a loan rate of 3.5% and is repayable by July 8, 2010.

Uranium Corp has filed a notice of intention to make a Normal Course Issuer Bid for its common shares with the Toronto Stock Exchange to provide a mechanism to decrease the potential spread between the net asset value per share and the market price of the shares. The Corporation may acquire up to 7,483,029 common shares pursuant to the bid, which expires January 31, 2011. As of the date hereof, the Corporation had not purchased any of its shares pursuant to the bid.

CHANGEOVER TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Canadian publicly accountable enterprises, which include investment funds, are required to adopt international financial reporting standards ("IFRS"), which will replace Canadian generally accepted accounting principles (GAAP), for fiscal periods beginning on or after January 1, 2011. The Company's first set of consolidated financial statements to be reported on under IFRS will be for the semi-annual period ended August 31, 2011, which will provide corresponding comparative financial information for 2011, including an opening statement of net assets as at February 28, 2011. The Manager has established a project team responsible for the development and implementation of a transition plan to ensure that the Company is able to meet its reporting requirements. The three main elements of the transition plan include the following activities:

- Identification of the differences between the current accounting policies of the Company, which reflect current GAAP, and those expected to apply under IFRS and the likely financial statement impact resulting from the adoption of IFRS
- Analyzing the impact on the business and reporting processes
- Implementation of the required changes for the fiscal year ending February 29, 2012

Based on the Manager's analysis of the Company's current accounting policies and consolidated financial statement presentation under GAAP against IFRS it is not expected that the adoption of IFRS will have a material effect on the Company's net assets or net asset value per share. The primary impact of IFRS on the Company's consolidated financial statements will be in the areas of presentation and note disclosure.

However, additional changes to IFRS are expected to be issued during 2010 and, as a result there is some uncertainty regarding the expected accounting standards that will be in place in 2011. Accordingly, the Manager is not yet in a position to conclusively determine the impact on the Company's financial statements upon the adoption of IFRS.

Throughout the balance of 2010 and early 2011, the Manager will continue monitoring new standards and recommendations as they are issued by both the International Accounting Standards Board, who is responsible for the development and publication of IFRS, and the Canadian Accounting Standards Board to update its analysis as appropriate. By 2011, the

Manager expects to complete this analysis, determine overall financial statement presentation, including note disclosure, and complete its assessment and initiate any changes required with respect to its business arrangements.

RELATED PARTY TRANSACTIONS

Uranium Corp is a party to a Management Services Agreement with its 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"); 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; and f) a fee equal to 1.5% of the gross value of any uranium held by Uranium Corp prior to the completion of any acquisition of at least 90% of the common shares of the Corporation.

In March 2010, the initial term of the management services agreement was extended to March 30, 2013, following which, the agreement may be terminated by either party upon the provision of 180 days written notice.

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

In August 2008, Uranium Corp purchased 50,000 pounds of U_3O_8 from the Manager at a price of US$64.50 per pound for total consideration of $3,373,000 (US$3,225,000).

The following additional transactions were incurred with the Manager during the years ended February 28, 2010 and 2009:

(in thousands of Canadian dollars)	2010	2009
Fees incurred with the Manager:		
Management fees	$ 1,479	$ 1,560
Equity financing and other fees [1]	250	200
Transaction fees – uranium purchase commissions	1,118	1,246
Shareholder information and other compliance	28	37
General office and miscellaneous	7	3
Total fees incurred with the Manager	$ 2,882	$ 3,046

(1) Equity financing fees of $200,000 incurred with the Manager have been recorded as share issue costs and are included in the value reported for common shares.

As at February 28, 2010, accounts payable and accrued liabilities included $103,000 (February 28, 2009: $127,000) due to the Manager with respect to the fees indicated above.

PAST PERFORMANCE

The following tables show the past performance for the NAV attributable to common shares ("net asset value return") and the past performance of the share price ("market value return") of Uranium Corp and will not necessarily indicate how Uranium Corp will perform in the future. Net asset value return is the best representation of the performance of Uranium Corp while market value return is the best representation of the return to a shareholder of the Uranium Corp.

Year by Year Returns

The table below shows the annual performance in net asset value return and market value return of Uranium Corp for each period indicated. The table shows, in percentage terms, how much an investment held on the first day of each financial period would have increased or decreased by the last day of each financial year.

	February 2010 [1]	February 2009 [1]	February 2008 [1]	February 2007 [1]	February 2006 [2]
Net asset value return (loss) – basic	(20.6%)	(16.4%)	(25.0%)	110.0%	18.3%
Net asset value return (loss) – diluted	(20.6%)	(16.4%)	(21.6%)	100.9%	18.3%
Market value return (loss)	1.8%	(47.6%)	(18.4%)	94.1%	40.2%

(1) For the twelve months ended.
(2) Period from completion of initial public offering on May 10, 2005 through to February 28, 2006.

Annual Compounded Returns

The table below shows the annual compounded return in net asset value return and market value return of Uranium Corp from inception through to the end of the indicated period, compared with the TSX Composite Index calculated on the same compounded basis.

	February 2010 [1]	February 2009 [1]	February 2008 [1]	February 2007 [1]	February 2006 [1]
Net asset value return – basic	4.4%	11.7%	23.0%	57.6%	18.3%
Net asset value return – diluted	4.4%	11.7%	23.0%	54.2%	18.3%
Market value return	3.5%	3.9%	30.5%	65.0%	40.2%
S&P / TSX Composite Index [2]	4.1%	(3.8%)	12.7%	17.2%	23.1%

(1) Period from completion of initial public offering on May 10, 2005 through to February month-end of indicated year.
(2) The S&P / TSX Composite Index is a market capitalization-weighted index that provides a broad measure of performance of the Canadian equity market.

SUMMARY OF INVESTMENT PORTFOLIO

Uranium Corp's investment portfolio consists of the following as at February 28, 2010:

(in thousands of Canadian dollars, except quantity amounts)	Quantity of Measure	Cost [1]	Market Value [2]
Investments in Uranium:			
Uranium oxide in concentrates ("U_3O_8")	5,545,000 lbs	$ 268,445	$ 243,681
Uranium hexafluoride ("UF_6") [3]	1,962,230 KgU	$ 341,003	$ 235,461
		$ 609,448	$ 479,142
U_3O_8 average cost and market value per pound:			
- In Canadian dollars		$ 48.41	$ 43.95
- In United States dollars		$ 43.41	$ 41.75
UF_6 average cost and market value per KgU:			
- In Canadian dollars		$ 173.78	$ 120.00
- In United States dollars		$ 159.48	$ 114.00

(1) The cost of the portfolio excludes transaction fees incurred since the Company's inception.

(2) The market values have been translated to Canadian dollars using the February 28, 2010 noon foreign exchange rate of 1.0526.

(3) The Company has transferred 1,332,230 KgU as UF_6 and taken in exchange 3,480,944 pounds of U_3O_8, effectively lending the conversion component of the UF_6.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about Uranium Corp and is intended to help you understand Uranium Corp's financial performance for the last five reporting periods (if applicable). This information is derived from the Corporation's audited annual consolidated financial statements.

Net Asset Value per Share

	February 2010 [1]	February 2009 [1]	February 2008 [1]	February 2007 [1]	February 2006 [2]
Net Asset Value per Share – Basic:					
Net asset value, beginning of period [3]	$ 7.49	$ 8.96	$ 11.95	$ 5.69	$ 4.81
Increase (decrease) from operations [3]:					
Total revenue	$ 0.04	$ 0.07	$ 0.13	$ 0.03	$ 0.03
Total expenses before taxes [4]	$ (0.06)	$ (0.08)	$ (0.16)	$ (0.15)	$ (0.22)
Income tax recovery (provision)	$ 0.18	$ 0.27	$ 0.93	$ (2.06)	$ (0.38)
Realized gains (losses) for the period	$ –	$ –	$ –	$ –	–
Unrealized gains (losses) for the period [4]	$ (1.77)	$ (1.83)	$ (3.81)	$ 8.45	$ 1.30
Total increase (decrease) from operations	$ (1.61)	$ (1.58)	$ (2.91)	$ 6.27	$ 0.73
Net asset value, end of period [3]	$ 5.95	$ 7.49	$ 8.96	$ 11.95	$ 5.69
Net asset value per share – diluted:					
Net asset value, beginning of period [3]	$ 7.49	$ 8.96	$ 11.43	$ 5.69	$ 4.81
Increase (decrease) from operations [3]:					
Total revenue	$ 0.04	$ 0.07	$ 0.13	$ 0.03	$ 0.03
Total expenses before taxes [4]	$ (0.06)	$ (0.08)	$ (0.16)	$ (0.14)	$ (0.22)
Income tax recovery (provision)	$ 0.18	$ 0.27	$ 0.93	$ (1.97)	$ (0.38)
Realized gains (losses) for the period	$ –	$ –	$ –	$ –	–
Unrealized gains (losses) for the period [4]	$ (1.77)	$ (1.83)	$ (3.81)	$ 8.08	$ 1.30
Total increase (decrease) from operations	$ (1.61)	$ (1.58)	$ (2.91)	$ 6.00	$ 0.73
Net asset value, end of period [3]	$ 5.95	$ 7.49	$ 8.96	$ 11.43	$ 5.69

(1) For the twelve months ended.

(2) Period from completion of initial public offering on May 10, 2005 through to February 28, 2006.

(3) Net asset values are based upon the actual number of common shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of common shares outstanding over the financial period.

Ratios and Supplemental Data

(in millions, except for ratios and TSX market prices)	February 2010 [1]	February 2009 [1]	February 2008 [1]	February 2007 [1]	February 2006 [2]
Total net asset value, end of period	$ 509.6	$ 541.4	$ 582.5	$ 579.4	$ 175.0
Average net asset value for the period	$ 555.8	$ 585.1	$ 708.5	$ 336.6	$ 116.0
Number of common shares outstanding	85.7	72.3	65.0	48.5	30.8
Management expense ratio [3]					
Total expenses before taxes [4]	0.61%	0.79%	1.01%	1.11%	2.45%
Income tax provision (recovery)	(2.67%)	(3.32%)	(7.87%)	25.05%	7.26%
Portfolio turnover rate	–	–	–	–	–
Trading expense ratio [5]	0.23%	0.22%	0.32%	0.73%	1.75%
Closing TSX market price per common share	$ 6.16	$ 6.05	$ 11.55	$ 14.15	$ 7.29

(1) For the twelve months ended.

(2) Period from completion of initial public offering on May 10, 2005 through to February 28, 2006.

(3) The management expense ratio for total expenses represents total investment operation expenses for the period over the average net asset value of the fund for the period.

(4) Transaction costs are excluded from total expenses in calculating the management expense ratio. These costs are included in the trading expense ratio calculation.

(5) Represents total transaction costs for the period over the average net asset value of the fund for the period. Warehousing and custodian costs have been included in the expense amount for the management expense ratio calculation.

Responsibility for Financial Reporting

To the Shareholders of Uranium Participation Corporation,

Uranium Participation Corporation's ("Company" or "Uranium Corp") 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 Audit 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, and reports its findings to the Board of Directors, prior to the Board approving such information for issuance to the shareholders. The Audit Committee also considers, for review by the Board and approval by the shareholders, the engagement or reappointment of the Company's independent auditors.

(Signed) "Ron Hochstein"

Ron Hochstein
President

(Signed) "James R. Anderson"

James R. Anderson
Chief Financial Officer

April 22, 2010

Independent Auditors' Report

To the Shareholders of Uranium Participation Corporation

We have audited the accompanying consolidated statements of net assets of Uranium Participation Corporation as at February 28, 2010 and 2009, the consolidated statements of operations, changes in net assets and cash flows for the years ended February 28, 2010 and 2009 and the consolidated statement of investment portfolio as at February 28, 2010. 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 28, 2010 and 2009 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 22, 2010

URANIUM PARTICIPATION CORPORATION
CONSOLIDATED STATEMENTS OF NET ASSETS
AS AT FEBRUARY 28, 2010 and 2009

(in thousands of Canadian dollars, except per share amounts)	2010	2009
Assets		
Investments at market value	$479,142	$549,128
(at cost: 2010-$609,448; 2009-$534,031)		
Cash and cash equivalents	22,673	1,057
Sundry receivables and other assets	1,098	878
Future income taxes (note 3)	13,131	13,084
	$516,044	$564,147
Liabilities		
Accounts payable and accrued liabilities	1,242	1,399
Income taxes payable	159	108
Future income taxes (note 3)	5,051	21,243
Net assets	$509,592	$541,397
Net assets represented by		
Common shares (note 4)	$653,841	$553,576
Contributed surplus (note 4)	2,481	2,481
Deficit	(146,730)	(14,660)
	$509,592	$541,397
Common shares		
Issued and outstanding (note 4)	85,697,341	72,328,591
Net asset value per common share		
Basic and diluted	$ 5.95	$ 7.49

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 STATEMENTS OF OPERATIONS
YEARS ENDED FEBRUARY 28, 2010 and 2009

(in thousands of Canadian dollars)	2010	2009
Income		
Interest	$ 63	$ 169
Income from investment lending (note 6)	3,125	4,581
Unrealized losses on investments	(145,403)	(131,753)
	(142,215)	(127,003)
Operating expenses		
Transaction fees (note 5)	1,320	1,290
Management fees (note 5)	1,479	1,560
Storage fees	1,787	1,350
Audit fees	50	78
Directors fees	125	96
Independent review committee fees and expenses	9	6
Legal and other professional fees	24	25
Shareholder information and other compliance	155	220
General office and miscellaneous	302	354
Foreign exchange loss (gain)	(575)	952
	4,676	5,931
Decrease in net assets from operations before taxes	(146,891)	(132,934)
Income tax recovery (note 3)	(14,821)	(19,417)
Decrease in net assets from operations after taxes	(132,070)	(113,517)
Opening retained earnings (deficit)	(14,660)	98,857
Closing deficit	(146,730)	(14,660)
Decrease in net assets from operations after taxes per common share		
Basic and diluted	$ (1.60)	$ (1.58)
Weighted average common shares outstanding		
Basic and diluted	82,355,154	72,020,143

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

URANIUM PARTICIPATION CORPORATION
STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED FEBRUARY 28, 2010 and 2009

(in thousands of Canadian dollars)	2010	2009
Net assets at beginning of year	$541,397	$582,545
Net proceeds from issue of shares after tax (note 4)	100,265	72,369
Decrease in net assets from operations after taxes	(132,070)	(113,517)
Net assets at end of year	$509,592	$541,397

URANIUM PARTICIPATION CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED FEBRUARY 28, 2010 and 2009

(in thousands of Canadian dollars)	2010	2009
Operating Activities		
Decrease in net assets from operations after taxes	$(132,070)	$(113,517)
Adjustments for non-cash items:		
Unrealized losses on investments	145,403	131,753
Future income tax recovery (note 3)	(14,874)	(19,482)
Changes in non-cash working capital:		
Change in sundry receivables and other assets	(220)	235
Change in income taxes receivable	–	23
Change in accounts payable and accrued liabilities	(157)	369
Change in income taxes payable	51	(282)
Net cash used in operating activities	(1,867)	(901)
Investing Activities		
Purchases of uranium investments	(75,417)	(83,085)
Net cash used in investing activities	(75,417)	(83,085)
Financing Activities		
Share issues net of issue costs (note 4)	98,900	71,356
Net cash generated by financing activities	98,900	71,356
Increase (decrease) in cash and cash equivalents	21,616	(12,630)
Cash and cash equivalents – beginning of year	1,057	13,687
Cash and cash equivalents – end of year	$ 22,673	$ 1,057

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

URANIUM PARTICIPATION CORPORATION
CONSOLIDATED STATEMENT OF INVESTMENT PORTFOLIO
AS AT FEBRUARY 28, 2010

(in thousands of Canadian dollars, except quantity amounts)	Quantity of Measure	Cost [1]	Market Value [2]
Investments in Uranium:			
Uranium oxide in concentrates (“U_3O_8”)	5,545,000 lbs	$ 268,445	$ 243,681
Uranium hexafluoride (“UF_6”) [3]	1,962,230 KgU	$ 341,003	$ 235,461
		$ 609,448	$ 479,142
U_3O_8 average cost and market value per pound:			
- In Canadian dollars		$ 48.41	$ 43.95
- In United States dollars		$ 43.41	$ 41.75
UF_6 average cost and market value per KgU:			
- In Canadian dollars		$ 173.78	$ 120.00
- In United States dollars		$ 159.48	$ 114.00

(1) The cost of the portfolio excludes transaction fees incurred since the Company’s inception.
(2) The market values have been translated to Canadian dollars using the February 28, 2010 noon foreign exchange rate of 1.0526.
(3) The Company has transferred 1,332,230 KgU as UF_6 to a third party and taken back in exchange 3,480,944 pounds of U_3O_8, in order to effect a lending of the conversion component of the UF_6. See note 6 for further details of this arrangement.

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

1. 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 ("U_3O_8") and uranium hexaflouride ("UF_6") (collectively "uranium") with the primary investment objective of achieving appreciation in the value of its uranium holdings. The common shares of Uranium Corp trade 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 ("UPCL"). 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 ("UxCo") 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 and highly liquid investments with a maturity of three months or less at the date of acquisition. 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.

New Accounting Standards

Uranium Corp adopted the following new Canadian Institute of Chartered Accountants (“CICA”) Handbook accounting standards effective March 1, 2009:

(a) Section 3855 “Financial Instruments” was amended to clarify when an embedded prepayment option is separated from its host debt instrument for account purposes. Adoption of this standard did not have any material effect on the consolidated financial statements.

(b) Section 3862 “Financial Instruments – Disclosures” was amended to include additional disclosure requirements about fair value measurements of financial instruments and to enhance liquidity risk disclosure requirements. These amendments apply to annual financial statements relating to fiscal years ending after September 30, 2009. Adoption of this standard did not have any material effect on the consolidated financial statements.

Uranium Corp will adopt the following new CICA Handbook accounting standards effective March 1, 2010:

(a) Section 1582 “Business Combinations” replaces Sections 1581 “Business Combinations” which provides the Canadian equivalent to International Financial Reporting Standard (“IFRS”) IFRS 3 “Business Combinations”. Section 1601 “Consolidated Financial Statements” and Section 1602 “Non-Controlling Interests” replaces Section 1600 “Consolidated Financial Statements” and establishes standards for the preparation of consolidated financial statements. Section 1582 applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period after January 1, 2011. Sections 1601 and 1602 are required for interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. The Company does not expect the adoption of these new standards to have a significant impact on the consolidated financial statements.

3. INCOME TAXES

Unlike most investment funds, Uranium Corp is not a mutual fund trust, making it subject to income tax on its taxable income. Uranium Corp is also subject to varying rates of taxation due to its operations in multiple tax jurisdictions. A reconciliation of the combined Canadian federal and Ontario provincial income tax rate to Uranium Corp's effective rate of income tax for the years ended February 28, 2010 and 2009 is as follows:

(in thousands)	2010	2009
Increase (decrease) in net assets from operations before income taxes	$(146,891)	$(132,934)
Combined federal and Ontario provincial income tax rate	32.83%	33.42%
Computed income tax expense (recovery)	(48,224)	(44,427)
Difference in current tax rates applicable in other jurisdictions	26,840	20,814
Difference between future and current tax rates	2,553	3,206
Foreign exchange on future tax balances	1,672	(738)
Change in valuation allowance	576	1,702
Impact of legislative changes	1,542	–
Taxable permanent differences	–	410
Other	220	(384)
Income tax recovery	$(14,821)	$(19,417)
Income tax recovery comprised of:		
Current tax expense	$ 53	$ 65
Future tax recovery	(14,874)	(19,482)
	$(14,821)	$(19,417)

The components of the Company's future tax balances at February 28, 2010 and 2009 are as follows:

(in thousands)	2010	2009
Future tax assets:		
Tax benefit of share issue costs	$ 2,592	$ 3,511
Tax benefit of loss carryforwards	7,270	6,304
Unrealized loss on investments	5,547	4,971
	15,409	14,786
Valuation allowance	(2,278)	(1,702)
Future tax assets	$ 13,131	$ 13,084
Future tax liabilities:		
Unrealized gain on investments	$ 6,005	$ 22,203
Tax benefit of loss carryforwards	(954)	(960)
Future tax liabilities	$ 5,051	$ 21,243

At February 28, 2010, Uranium Corp has unused tax losses in Canada of $32,895,000 which are scheduled to expire between 2026 and 2030.

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. A continuity schedule of the issued and outstanding common shares and the associated dollar amounts is as follows:

(in thousands except common share balances)	Number of Common Shares	Amount
Balance at February 29, 2008	64,991,841	$481,203
Common share financings		
Gross proceeds on new issues	7,331,250	74,779
Issue costs	–	(3,489)
Tax effect of issue costs	–	1,013
Warrant activity		
Gross proceeds from exercises	5,500	66
Fair value of exercises	–	4
Balance at February 28, 2009	72,328,591	$553,576
Common share financings		
Gross proceeds on new issues	13,368,750	103,608
Issue costs	–	(4,708)
Tax effect of issue costs	–	1,365
Balance at February 28, 2010	85,697,341	$653,841

Common share financings

In May 2009, Uranium Corp issued 13,368,750 shares by way of a public offering priced at $7.75 per share for total gross proceeds of $103,608,000.

In March 2008, Uranium Corp issued 7,331,250 shares by way of a public offering priced at $10.20 per share for total gross proceeds of $74,779,000.

Warrants

A continuity schedule of the issued and outstanding warrants and the associated dollar amounts is as follows:

(in thousands except warrant balances)	Number of Warrants	Amount
Balance at February 29, 2008	2,828,799	$ 2,455
Warrants exercised	(5,500)	(4)
Warrants expired	(2,823,299)	(2,451)
Balance at February 28, 2009 and 2010	–	$ –

Each whole warrant issued as part of the September 2006 equity unit financing had an expiry date of September 15, 2008 and was convertible into one common share at an exercise price of $12.00.

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"); 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; and f) a fee equal to 1.5% of the gross value of any uranium held by Uranium Corp prior to the completion of any acquisition of at least 90% of the common shares of the Company.

In March 2010, the initial term of the management services agreement was extended to March 30, 2013, following which, the agreement may be terminated by either party upon the provision of 180 days written notice.

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

In August 2008, Uranium Corp purchased 50,000 pounds of U_3O_8 from the Manager at a price of US$64.50 per pound for total consideration of $3,373,000 (US$3,225,000).

The following additional transactions were incurred with the Manager for the years ended February 28, 2010 and 2009:

(in thousands)	2010	2009
Fees incurred with the Manager:		
Management fees	$ 1,479	$ 1,560
Equity financing and other fees [(1)]	250	200
Uranium purchase commissions	1,118	1,246
Shareholder information and other compliance	28	37
General office and miscellaneous	7	3
Total fees incurred with the Manager	$ 2,882	$ 3,046

(1) Equity financing fees of $200,000 incurred with the Manager have been recorded as share issue costs and are included in the value reported for common shares.

As at February 28, 2010, accounts payable and accrued liabilities included $103,000 (February 28, 2009: $127,000) due to the Manager with respect to the fees indicated above.

6. INVESTMENTS LENDING

Uranium Corp entered into a loan agreement to lend 500,000 KgU as UF_6 effective January 1, 2007. The UF_6 loaned was subject to a loan fee of 5% per annum based upon the adjusted quarterly value of the material. Collateral was held in the form of an irrevocable letter of credit from a major financial instituition, that was subject to adjustment on an annual basis. The agreement expired on December 31, 2009 with the UF_6 returned on that date.

The Company entered into a loan of the conversion component of 1,332,230 KgU as UF_6 in December 2009. The conversion component has a market value of $8,063,000 and is subject to a loan fee of 4.5% per annum based on the greater of the adjusted monthly value and US$15,654,000. To facilitate the loan of the conversion component, 1,332,230 KgU as UF_6 was transferred to the borrower with 3,480,944 pounds of U_3O_8 transferred to Uranium Corp and an irrevocable letter of credit of $16,526,000 from a major financial institution received as collateral. This agreement is due to expire in December 2012.

7. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS

Capital Management

Uranium Corp's capital structure consists of share capital and contributed surplus. The Company's primary objective is to achieve long-term appreciation in the value of its uranium holdings through a buy and hold investment strategy and not actively speculate with regard to short-term changes in uranium prices. Uranium purchases are normally funded through common share offerings with at least 85% of the gross proceeds of aggregate share offerings invested in, or set aside for future purchases of uranium. In strictly limited circumstances, the Company can enter into borrowing arrangements for up to 15% of the net assets of Uranium Corp to facilitate the purchases of uranium.

At February 28, 2010, the Company has invested 89.9% of aggregate share offerings in uranium, and has no outstanding borrowing arrangements for the purchase of uranium.

Risks Associated with Financial Instruments

Investment activities of Uranium Corp expose it to some financial instrument risks: credit risk, liquidity risk, and currency risk. The source of risk exposure and how each is managed is outlined below:

Credit Risk

Uranium Corp's primary exposure to credit risk arises from its lending arrangements related to its uranium holdings. The Company enters into lending arrangements exclusively with large organizations with strong credit ratings and ensures that adequate security is provided for any material loaned (see note 6).

Liquidity Risk

Financial liquidity represents Uranium Corp's ability to fund future operating activities. Uranium Corp may generate cash from the lending or sale of uranium, or the sale of additional equity securities. The Company's current cash balance and income from the lending of uranium is currently sufficient to meet its operating cash requirements. Although Uranium Corp enters into commitments to purchase uranium periodically, the commitments are normally contingent on the Company's ability to raise funds through the sale of additional equity securities.

Foreign Exchange Risk

Changes in the value of the Canadian dollar compared to foreign currencies will affect the value, as reported, of the Company's foreign denominated cash and cash equivalents, receivables, and accounts payables.

Currently, Uranium Corp does not have any foreign exchange hedge programs in place and manages its operational foreign exchange requirements through spot purchases in the foreign exchange markets.

8. SUBSEQUENT EVENTS

On March 30, 2010, Uranium Corp completed the acquisition of Uranium Limited (“UL”) pursuant to a scheme of arrangement under the laws of Guernsey. Under the terms of the transaction, Uranium Corp acquired all of the issued and outstanding shares of UL in a share exchange at a ratio of 0.5 common shares of Uranium Corp for each common share of UL. Upon the close of the acquisition, 20,624,672 common shares of Uranium Corp were issued to UL shareholders, representing 19.4% of the total issued and outstanding common shares of Uranium Corp. Uranium Corp also assumed outstanding, fully-vested stock options to purchase 2,475,000 common shares of UL at a strike price of GBP£2.05 per option with an expiry date of July 21, 2011. Each option assumed is exercisable for 0.50 shares of Uranium Corp.