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Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Uranium Participation Corporation at 595 Bay Street, Suite 402, Toronto, Ontario, M5G 2C2 (telephone 416.979.1991), and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

May 20, 2009



URANIUM PARTICIPATION CORPORATION

\$90,093,750

11,625,000 COMMON SHARES

This short form prospectus is being filed to qualify the distribution (the "Offering") of 11,625,000 common shares (the "Common Shares") of Uranium Participation Corporation ("Uranium Participation Corp." or the "Corporation"). The Corporation's registered and head office is located at 595 Bay Street, Suite 402, Toronto, Ontario, Canada, M5G 2C2. The Common Shares will be offered at a price of \$7.75 per Common Share (the "Offering Price"). The Common Shares will be issued and sold pursuant to an underwriting agreement (the "Underwriting Agreement") dated as of May 6, 2009 between Uranium Participation Corp. and Cormark Securities Inc. ("Cormark"), Dundee Securities Corporation, Scotia Capital Inc., CIBC World Markets Inc., National Bank Financial Inc., RBC Dominion Securities Inc., GMP Securities L.P., Raymond James Ltd., and Salman Partners Inc. (collectively, the "Underwriters"). The Offering Price has been determined by negotiation between the Corporation and the Underwriters.

The outstanding common shares are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the symbol "U". On May 19, 2009, the last trading day prior to the date of this short form prospectus, the closing price of the Common Shares on the TSX was \$8.06. The TSX has conditionally approved the listing of the Common Shares, subject to the Corporation fulfilling all listing requirements of the TSX on or before August 5, 2009.

Price: \$7.75 per Common Share

	Price to the Public	Underwriters' Fee⁽¹⁾	Net Proceeds to the Corporation⁽²⁾
Per Common Share	\$7.75	\$0.310	\$7.44
Total ⁽³⁾	\$90,093,750	\$3,603,750	\$86,490,000

(1) In consideration for the services rendered by the Underwriters in connection with the Offering, the Corporation has agreed to pay the Underwriters a fee of \$3,603,750 representing 4% of the gross proceeds of the Offering. See "Plan of Distribution".

- (2) After deducting the Underwriters' fee, but before deducting expenses of the Offering, including the preparation and filing of this short form prospectus, which are estimated to be \$400,000 plus \$200,000 payable to the Manager and which will be paid from the proceeds of the Offering.
- (3) The Corporation has granted the Underwriters an option (the "Over-Allotment Option"), exercisable in whole or in part in the sole discretion of the Underwriters at any time until the date which is 30 days following the closing of the Offering (the "Closing Date"), to purchase 1,743,750 additional Common Shares (the "Optioned Shares"). Unless the context otherwise requires, references herein to "Offering" assumes the exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full, the total Price to the Public, Underwriters' Fee and Net Proceeds to the Corporation will be \$103,607,812.50, \$4,144,312.50 and \$99,463,500, respectively. This short form prospectus qualifies the distribution of the Over-Allotment Option and any Optioned Shares issuable upon the exercise of the Over-Allotment Option. See "Plan of Distribution".

The Underwriters, as principals, conditionally offer the Common Shares, subject to prior sale, if, as and when issued by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution", subject to the approval of certain legal matters on behalf of the Corporation by Heenan Blaikie LLP and on behalf of the Underwriters by Borden Ladner Gervais LLP.

Underwriters' Position	Maximum Size of Number of Securities Available	Exercise Period	Exercise Price or Average Acquisition Price
Over-Allotment Option	1,743,750	30 days from closing of the Offering	\$7.75

A purchaser that acquires Common Shares forming part of the Underwriters' over-allocation position acquires the shares under this prospectus, whether the over-allocation position is filled through the exercise of the Over-Allotment Option or through secondary market purchases.

Subscriptions for Common Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that certificates evidencing the Common Shares will be available for delivery on the Closing Date, which is expected to take place on or about May 28, 2009 or such other date as may be agreed upon by the Corporation and the Underwriters but in any event not later than June 5, 2009. During the distribution of the Common Shares, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares in accordance with applicable market stabilization rules. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

Investing in the securities of the Corporation involves significant risks inherent in the Corporation's business. Investors should carefully consider the risks described under the heading "Risk Factors" in this short form prospectus.

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GENERAL MATTERS

In this short form prospectus, unless otherwise indicated or the context otherwise requires, the terms “Uranium Participation Corp.”, the “Corporation”, “we”, “us”, and “our” are used to refer to Uranium Participation Corporation.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This short form prospectus (including the documents incorporated by reference herein) contains certain “forward-looking statements” and “forward-looking information” which may include, but is not limited to, statements with respect to the future financial or operating performances of the Corporation, and its subsidiaries. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “intent”, “estimate”, “anticipate”, “plan”, “should”, “believes”, or “continue” or variations (including negative variations) or similar terminology.

By their very nature, forward-looking statements involve numerous factors, assumptions and estimates. A variety of factors, many of which are beyond the control of the Corporation, may cause actual results to differ materially from the expectations expressed in the forward-looking statement. These factors include, but are not limited to, changes in commodity prices and foreign exchange and the inability of a counterparty to complete a sale or purchase of uranium. See “Risk Factors” for a further description of the principal risks to the Corporation.

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, the Corporation does not undertake to update any forward-looking information or statements.

You should rely only on the information contained or incorporated by reference in this short form prospectus. Neither the Corporation nor the Underwriters have authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither the Corporation nor the Underwriters are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information in this document may only be accurate as of the date on the front cover of this short form prospectus.

CURRENCY PRESENTATION

All currency references in this short form prospectus are in Canadian dollars unless otherwise indicated. References to \$ are to Canadian dollars and references to US\$ are to United States currency. The noon rate of exchange reported by the Bank of Canada for the conversion of Canadian dollars to United States dollars on May 19, 2009 was \$1.00 = US\$0.8644 (US\$1 = \$1.1569).

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with the various securities commissions or similar regulatory authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Uranium Participation Corporation at 595 Bay Street, Suite 402, Toronto, Ontario, M5G 2C2 (telephone 416.979.1991). These documents are also available through the Internet on the System for Electronic Document Analysis and Retrieval (SEDAR), which can be accessed online at www.sedar.com. Information contained or featured on the Corporation’s website shall not be deemed to be part of this short form prospectus.

The following documents, filed by the Corporation with the various securities commissions or similar regulatory authorities in Canada, are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

- (a) the annual information form of the Corporation dated May 6, 2009 for the financial year ended February 28, 2009;
- (b) the audited consolidated financial statements of the Corporation as at and for the financial year ended February 28, 2009, together with the auditors' report thereon and the notes thereto;
- (c) the Corporation's Annual Management Report of Fund Performance dated April 23, 2009 for the financial year ended February 28, 2009;
- (d) the management information circular of the Corporation dated as of May 20, 2008 prepared in connection with the annual meeting of shareholders of the Corporation held on June 23, 2008; and
- (e) the Corporation's material change report dated May 14, 2009 relating to the Offering.

Any document of the type referred to above (excluding confidential material change reports) filed by the Corporation with the securities commissions or similar regulatory authorities in Canada after the date of this short form prospectus and prior to the termination of this distribution shall be deemed to be incorporated by reference in this short form prospectus.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this short form prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this short form prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

ELIGIBILITY FOR INVESTMENT

In the opinion of Heenan Blaikie LLP, counsel to the Corporation, and Borden Ladner Gervais LLP, counsel to the Underwriters, provided that the Common Shares are listed on a designated stock exchange, which includes the TSX, the Common Shares, if issued on the date hereof, would be "qualified investments" under the *Income Tax Act* (Canada) (the "Tax Act") and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, deferred profit sharing plans, tax-free savings accounts ("TFAs") and registered education savings plans (collectively "Plans"). Notwithstanding that the Common Shares may be a qualified investment for a trust governed by a TFA, a holder will be subject to a penalty tax if the Common Shares held in a TFA are a "prohibited investment" for that TFA under the Tax Act. The Common Shares generally will not be a "prohibited investment" unless the holder of the TFA does not deal at arm's length with the Corporation for the purpose of the Tax Act, or the holder has a "significant interest" (within the meaning of the Tax Act) in the Corporation or a corporation, partnership or trust with which the Corporation does not deal at arm's length for the purposes of the Tax Act.

THE CORPORATION

Uranium Participation Corp. was incorporated by Articles of Incorporation pursuant to the *Business Corporations Act* (Ontario) (the "OBCA") on March 15, 2005 and became a publicly listed company on the TSX on May 10, 2005. The registered and head office of Uranium Participation Corp. is located at Atrium on Bay, Suite 402, 595 Bay Street, Toronto, Ontario, M5G 2C2. Uranium Participation Corp. has no employees. Denison Mines Inc. (the "Manager") provides the services of five officers to the Corporation, being the President, the Chief Financial Officer, the Vice-President Marketing, Vice-President, Commercial and the Corporate Secretary under the terms of a Management Services Agreement dated March 30, 2005, as amended.

Uranium Participation Corp. is an investment holding entity which invests at least 85% of the proceeds of any offering in uranium, with the primary investment objective of achieving appreciation in the value of its uranium holdings. Unless the context requires otherwise, references to “uranium” means uranium oxide in concentrates (“U₃O₈”) and uranium hexafluoride (“UF₆”).

Uranium Participation Alberta Corp. (“UPAC”) is a wholly-owned subsidiary of Uranium Participation Corp. It was incorporated under the *Business Corporations Act* (Alberta) on May 4, 2005. UPAC directly invests in U₃O₈ and UF₆.

Uranium Participation Cyprus Limited (“UPCL”) is a wholly-owned subsidiary of the Corporation. It was incorporated under the laws of the Republic of Cyprus on September 10, 2006. In August 2007, UPCL obtained a business license and established a branch office in Luxembourg (“UPCL Luxembourg”) through which the operations of UPCL are conducted. UPCL directly invests in uranium. UPAC and UPCL are collectively referred to as the “Subsidiaries”.

The Corporation carries on its operations through its Subsidiaries. Unless otherwise indicated or where the context otherwise requires, references to Uranium Participation Corp. or the Corporation include the Subsidiaries.

Uranium Participation Corp. is a taxable Canadian corporation and is not a mutual fund corporation for purposes of the Tax Act. The Corporation is subject to income tax on its taxable income, computed in accordance with the ordinary rules and at the rates ordinarily applicable to public corporations under the Tax Act. Currently the Corporation recognizes unrealized gains or losses on its investments in uranium and accrues future income taxes payable based on the unrealized gains. Realized gains or losses on the sale of uranium will be recognized for income tax purposes at the time realized and will be taxed as income or capital gains, as applicable.

INDEPENDENT REVIEW COMMITTEE

The Corporation has established an Independent Review Committee (an “IRC”) from its qualified independent Board members. The members of the IRC are Paul J. Bennett, Garth A. C. MacRae and Richard H. McCoy. 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 reports are available on the Corporation’s website at www.uraniumparticipation.com and are also available to shareholders at no cost by contacting the Corporation at adesautels@denisonmines.com. All fees and expenses for the IRC will be paid by the Corporation. The IRC members are entitled to \$1000 for each meeting attended outside normal Board of Director meetings. The fees paid to the IRC for the first year were \$3,000. The IRC became fully operational on November 1, 2007. Since November 1, 2007, the IRC has dealt with three conflict matters relating to the purchase of uranium by the Corporation that would generate fees for the Manager.

RECENT DEVELOPMENTS

The Corporation has offered to purchase 100,000 pounds of U₃O₈ at US\$46.00 per pound and 470,000 KgU as UF₆ for US\$131.91 per KgU for an aggregate purchase commitment of US\$66,600,000 (excluding commissions). Deliveries will be at various dates over the balance of the 2009 calendar year. See “Use of Proceeds”.

The unaudited net asset value of the Corporation at April 30, 2009 was \$502,497,000 or \$6.95 per share based on the spot price for U₃O₈ at April 30, 2009 which was US\$44.00 per pound and the spot price for UF₆ at April 30, 2009 which was US\$123.00 per KgU and the Canadian/US dollar noon exchange rate at month end, which was \$1.1940. Since inception to April 30, 2009, the Corporation has purchased and taken delivery 5,425,000 pounds of U₃O₈ and 1,492,230 KgU as UF₆ at a total cost of \$534,031,000. Market value of the Corporation’s investment in uranium based on the April 30, 2009 spot prices was \$504,160,000.

At the Annual and Special Meeting of the Corporation held on June 23, 2008, shareholders approved an amendment to the Management Agreement to entitle the Manager to receive a commission of 1.5% of the value of the uranium held by the Corporation in the event of an acquisition of at least 90% of the common shares of the Corporation.

CONSOLIDATED CAPITALIZATION

The following table sets forth the Corporation's unaudited consolidated capitalization as at February 28, 2009, the date of the most recent consolidated financial statements filed by the Corporation, and as at February 28, 2009 after giving effect to the Offering. The table should be read in conjunction with the unaudited consolidated financial statements of the Corporation, including the notes thereto, and management's report on fund performance incorporated by reference in this short form prospectus.

	As at February 28, 2009 (dollars in thousands)	As at February 28, 2009 After Giving Effect to the Offering ⁽¹⁾ (dollars in thousands)
	(audited)	(unaudited)
Shareholders' Equity		
Common Shares	\$553,576	\$639,466
(Authorized	(72,328,591 shares)	(83,953,591 shares)
– unlimited)		
Contributed		
Surplus	\$2,481	\$2,481
Retained	(\$14,660)	(\$14,660)
Earnings		
Total Capitalization	\$541,397	\$627,287

(1) After giving effect to the Offering (assuming no exercise of the Over-Allotment Option) but excluding the tax effect of the share issue costs.

USE OF PROCEEDS

The net proceeds to the Corporation from the Offering, after deducting the Underwriters' fee and the expenses of the Offering (including expenses relating to the preparation and filing of this short form prospectus), are estimated to be approximately \$85,890,000 assuming no exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full, the net proceeds to the Corporation from the Offering, after deducting the Underwriters' fee and the expenses of the Offering, are estimated to be approximately \$98,863,500.

The net proceeds of the Offering will be used by the Corporation to fund (i) the Corporation's purchase commitment referred to under "Recent Developments" (US\$66,600,000,) and (ii) as to the balance, to fund the ongoing obligations of the Corporation. At least 85% of the gross proceeds from the sale of securities by the Corporation must be invested in, or held for future purchases of uranium.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Corporation has agreed to sell and the Underwriters have severally agreed to purchase, as principals, on May 28, 2009, or on such other date as may be agreed upon by the Corporation and the Underwriters, but in any event no later than June 5, 2009 (the "Closing Date"), all but not less than all of the Common Shares at the Offering Price, against delivery of certificates representing the Common Shares, subject to compliance with all necessary legal requirements and to the conditions contained in the Underwriting Agreement. The obligations of the Underwriters under the Underwriting Agreement may be terminated at their discretion based on their assessment of the state of the financial markets and may also be terminated upon certain events stated in the Underwriting Agreement. The Offering Price was determined by negotiation between the Corporation and the Underwriters.

The Corporation has agreed to pay the Underwriters a fee of \$0.31 per Common Share for their services in connection with the distribution of the Common Shares offered by this short form prospectus. The Corporation has

granted the Underwriters the Over-Allotment Option, exercisable in whole or in part in the sole discretion of the Underwriters at any time until the date which is 30 days following the Closing Date, such Over-Allotment Option being exercisable to acquire the Optioned Shares at the Offering Price. If the Over-Allotment Option is exercised in full, the total price to the public, the Underwriters' fee and the net proceeds to the Corporation will be \$103,607,812.50, \$4,144,312.50 and \$99,463,500, respectively. The Corporation will pay to the Underwriters a fee of \$0.31 per Optioned Share. This short form prospectus qualifies the distribution of the Over-Allotment Option and any Optioned Shares issued on exercise thereof.

The Common Shares offered hereby have not been and will not be registered under the U.S. Securities Act or any state securities laws, and may not be offered or sold within the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Underwriting Agreement provides that the Underwriters will offer and sell the Common Shares outside the United States only in compliance with Rule 903 of Regulation S under the U.S. Securities Act. The Underwriting Agreement also permits the Underwriters, through their registered U.S. broker-dealer affiliates, to offer and sell the Common Shares in the United States to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in transactions that are exempt from registration under the U.S. Securities Act, pursuant to Rule 144A thereunder, and all applicable state securities laws. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Common Shares offered hereby within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act unless such offer is made pursuant to an exemption from the registration requirements of the U.S. Securities Act.

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated at their discretion upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Common Shares, other than the Optioned Shares, if any of the Common Shares are purchased under the Underwriting Agreement.

The TSX has conditionally approved the listing of the Common Shares, subject to the Corporation fulfilling all listing requirements of the TSX on or before August 5, 2009.

Pursuant to applicable rules and/or policy statements of the Ontario Securities Commission and certain regulatory authorities, the Underwriters may not, throughout the period of distribution under this short form prospectus, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions, provided that the bid or purchase is not made for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include a bid or purchase permitted under the rules of applicable self-regulatory organizations relating to market stabilization and passive market-making activities and a bid or purchase made for or on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing and applicable laws, the Underwriters may over-allot or effect transactions in connection with the Offering intended to stabilize or maintain the market price of the Common Shares at levels above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Corporation has agreed in favour of the Underwriters that, during the period ending 90 days after the Closing Date, it will not, except in certain circumstances, offer or sell, agree to offer or sell, or enter into an arrangement to offer or sell any Common Shares or other securities of the Corporation, or securities convertible into, exchangeable for, or otherwise exercisable to acquire any securities of the Corporation in connection with financing transactions without having obtained the prior written consent of Cormark, such consent not to be unreasonably withheld.

The Underwriting Agreement also provides that the Corporation will indemnify the Underwriters and their directors, officers, employees and agents against certain liabilities and expenses or will contribute to payments that the Underwriters may be required to make in respect thereof.

DESCRIPTION OF SECURITIES DISTRIBUTED

The Common Shares

The Corporation is authorized to issue an unlimited number of common shares, of which 72,328,591 common shares were outstanding as of April 30, 2009. The common shares are without nominal or par value. Each of the common shares carries one vote at all meetings of shareholders, is entitled to dividends as and when declared by the directors and is entitled upon liquidation, dissolution or winding up of the Corporation to a *pro rata* share of the property and assets of the Corporation distributable to the holders of the common shares.

Prior Sales

No common shares have been issued in the twelve months preceding the date of this prospectus other than the issuance of 5,500 common shares on September 15, 2008 on exercise of previously issued warrants at an exercise price of \$12.00 per common share.

Trading Price and Volume

Set out below is the trading prices and volume of trades for the common shares on the TSX for the twelve month period prior to the date of this prospectus.

Date	Hi	Low	Volume
<u>2008</u>			
May	\$10.50	\$8.30	19,343,020
June	\$10.00	\$8.25	13,227,800
July	\$10.00	\$8.35	11,444,195
August	\$8.98	\$7.43	11,942,928
September	\$9.05	\$6.10	16,128,950
October	\$6.50	\$4.50	22,516,509
November	\$8.00	\$5.61	10,803,461
December	\$7.84	\$6.15	5,679,629
<u>2009</u>			
January	\$7.80	\$6.61	4,837,468
February	\$7.32	\$5.95	7,450,643
March	\$7.00	\$5.33	6,044,498
April	\$7.87	\$6.06	5,292,699
May 1 – May 19	\$8.48	\$7.19	7,810,889

RISK FACTORS

An investment in the Common Shares is subject to a number of risk factors that should be considered by a prospective purchaser. In addition to information set out elsewhere in this short form prospectus (including the documents incorporated by reference herein), investors should carefully consider the following risk factors. Such risk 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.

Uranium Price Volatility from Demand and Supply Factors

Since almost all of Uranium Participation 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 Participation 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 UF₆ is a different commodity than U₃O₈, its price is affected by its own supply/demand balance as well as the supply/demand balances of U₃O₈ and for conversion services. As a result, the UF₆ price may move differently than the spot price of U₃O₈ or the spot conversion price alone. The factors that affect the UF₆ price will affect the 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 U₃O₈ per pound, and the UF₆ price per KgU at December 31 for the five calendar years ended December 31, 2008, and at February 28, 2009⁽¹⁾.

	<u>December 31</u>					<u>February 28</u>
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
U ₃ O ₈	\$20.70	\$36.25	\$72.00	\$90.00	\$53.00	\$45.00
UF ₆	\$63.09 ⁽²⁾	\$105.00	\$199.00	\$240.00	\$145.00	\$126.00

⁽¹⁾ As published by UxCo in U.S. dollars.

⁽²⁾ UF₆ price for 2004 was not published by UxCo. Amounts shown for those years are the UF₆ value, which is obtained by adding (i) the spot price for U₃O₈ multiplied by 2.61285; and (ii) the spot conversion price of UF₆.

No Public Market for Uranium

There is no public market for the sale of uranium. The uranium futures 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 Participation 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 Participation 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 Participation Corp.

From time to time, the Corporation enters into commitments to purchase U₃O₈ or UF₆. 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 and the People's Republic of China, 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 UF₆. 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 Participation 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 Participation Corp.'s control, there can be no assurance that such fluctuations will not have an adverse effect on Uranium Participation Corp.'s operations or on the trading value of its common shares.

The US/Canadian dollar rate of exchange reflected in the Corporation's net asset value calculation as at April 30, 2009 was C\$1.1940 = US\$1.00. The rate of exchange as at May 19, 2009 was C\$1.1569 = US\$1.00. This decrease in the U.S. currency relative to the Canadian currency will impact negatively the average market value of the Corporation's investments in Canadian dollars.

Risks Associated with the Facilities

Under the Management Services Agreement, the Manager is required to arrange for all uranium to be stored at facilities and to ensure that the facilities provide satisfactory indemnities for the benefit of Uranium Participation Corp. or ensure that Uranium Participation 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 Participation Corp. will fully cover or absolve Uranium Participation Corp. in the event of loss or damage. Uranium Participation 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 Participation 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 Participation 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 Participation Corp.

Lack of Operational Liquidity

The expenses of Uranium Participation 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 Participation Corp. may either generate cash from either the lending or sale of uranium or the sale of additional equity securities. There is no guarantee that Uranium Participation Corp. will be able to sell additional equity or equity related securities on terms acceptable to Uranium Participation Corp. in the future, that Uranium Participation Corp. will be able to sell uranium in a timely or profitable manner or that Uranium Participation 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.

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 Participation Corp.

Lack of Investment Liquidity

Uranium Participation Corp. is not a mutual fund, and an investment in its common shares is not redeemable. Uranium Participation Corp.'s liquidity will rely principally on sales or lending by Uranium Participation Corp. of uranium. Accordingly, Uranium Participation 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 net asset value ("NAV") reported by Uranium Participation Corp. is based on the spot prices of uranium published by UxCo. Accordingly, the NAV may not necessarily reflect the actual realizable value of uranium held by Uranium Participation 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, and, accordingly, follows general income tax provisions of the Tax Act.

Market Price of Common Shares

It appears that the market price of the common shares is related to the NAV. Uranium Participation 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 Participation Corp. is a self-governing corporation that is governed by the Board of Directors appointed and elected by the holders of common shares. Uranium Participation 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 (March 2010) in accordance with the terms thereof. Uranium Participation 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 Participation Corp. may provide investment, administrative and other services to other entities and parties. The directors and officers of Uranium Participation 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 Participation 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 U₃O₈ and UF₆, the Corporation may not be able to replace the uranium loaned from its portfolio.

Regulatory Change

Uranium Participation 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 Participation 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 from other uranium producers are all influenced by the current global economic downturn resulting in part from the recent global financial crisis.

INTEREST OF EXPERTS

Certain legal matters relating to the Offering will be passed upon by Heenan Blaikie LLP, on behalf of the Corporation, and by Borden Ladner Gervais LLP, on behalf of the Underwriters. As at the date hereof, the partners and associates of Heenan Blaikie LLP, as a group, and the partners and associates of Borden Ladner Gervais LLP, as a group, own, directly or indirectly, less than 1% of the outstanding common shares of the Corporation.

No partner or associate, as applicable, of the aforementioned limited liability partnerships is currently expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of any associate or affiliate of the Corporation.

PROMOTER

The Manager may be considered to be the promoter of the Corporation within the meaning of the securities regulations of certain provinces of Canada. The Manager will not receive any direct or indirect benefits as a result of the relationship with the Corporation other than those described under the headings "Management of Uranium Participation Corp." and "Interest of Management and Others in Material Transactions" in the Corporation's Annual Information Form, which is incorporated herein by reference. The directors and officers of the Manager as a group, own, directly or indirectly, less than 1% of the outstanding common shares of the Manager.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are PricewaterhouseCoopers LLP, Chartered Accountants, Toronto, Ontario.

The transfer agent and registrar for the common shares is Computershare Investor Services at its principal office in Toronto, Ontario.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces of Canada, securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

**CONSENT OF
PRICEWATERHOUSECOOPERS LLP**

We have read the short form prospectus of Uranium Participation Corporation (the "Company") dated May 20, 2009 relating to the issue and sale of 11,625,000 Common Shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned prospectus of our report to the shareholders of the Company on the consolidated statement of net assets of the Company as at February 28, 2009 and February 29, 2008 and the consolidated statements of operations, changes in net assets and cash flows for the period from March 1, 2007 to February 29, 2008 and for the period from March 1, 2008 to February 28, 2009. Our report is dated April 23, 2009.

(Signed) PricewaterhouseCoopers LLP
Chartered Accountants, Licensed Public Accountants

Toronto, Ontario
May 20, 2009

CERTIFICATE OF THE CORPORATION

Dated: May 20, 2009

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

(Signed) Ron F. Hochstein
President
(as the chief executive officer)

(Signed) James R. Anderson
Chief Financial Officer

On behalf of the Board of Directors

(Signed) Richard H. McCoy
Director

(Signed) Garth MacRae
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: May 20, 2009

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

CORMARK SECURITIES INC.

By: (Signed) Peter Grosskopf

DUNDEE SECURITIES
CORPORATION

SCOTIA CAPITAL INC.

By: (Signed) Raffi Babikian

By: (Signed) Jeffrey W. Richmond

CIBC WORLD MARKETS INC.

NATIONAL BANK FINANCIAL
INC.

RBC DOMINION SECURITIES
INC.

By: (Signed) Rick McCreary

By: (Signed) Steven Farber

By: (Signed) Gary A. Sugar

GMP SECURITIES L.P.

RAYMOND JAMES LTD.

By: (Signed) Kevin Reid

By: (Signed) David Greifenberger

SALMAN PARTNERS INC.

By: (Signed) Bradley D. McMillen