



NOTICE OF SPECIAL MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

WITH RESPECT TO THE

SPECIAL MEETING OF THE SHAREHOLDERS OF

URANIUM PARTICIPATION CORPORATION

TO BE HELD ON TUESDAY, MARCH 16, 2010

February 9, 2010



Atrium on Bay
595 Bay Street, Suite 402
Toronto, Ontario
M5G 2C2

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting (the “**Meeting**”) of shareholders of Uranium Participation Corporation (“**UPC**”) will be held at TMX Broadcast Centre, 130 King Street West, Toronto, Ontario on Tuesday, the 16th day of March, 2010 at 10:30 a.m. (Eastern Time) for the following purposes:

- (a) to consider and, if deemed advisable to pass a resolution authorizing UPC to issue common shares on the acquisition by UPC of all of the issued and to be issued ordinary shares of Uranium Limited (“**UL**”) by way of a scheme of arrangement under the laws of Guernsey, as more particularly described in the accompanying management information circular (the “**Transaction**”); and
- (b) to transact such other business as may properly come before the Meeting.

The nature of the business to be transacted at the Meeting and specific details regarding the Transaction, including a detailed summary of the definitive Implementation Agreement, are described in the accompanying management information circular.

The Board of Directors of UPC have fixed the close of business on February 9, 2010 as the record date for determining shareholders who are entitled to vote at the Meeting.

A shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to be present at the Meeting must, in order for their proxy to be valid and for their votes to be counted, date, execute and return the accompanying form of proxy to Uranium Participation Corporation, c/o Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Canada, M5J 2Y1 (Attn: Proxy Department) by no later than 10:30 a.m. (Eastern Time) on March 12, 2010 or, if the Meeting is adjourned, not less than 48 hours (excluding Saturdays and holidays) before the time for holding the adjourned meeting. The chairman of the Meeting has the discretion, without notice, to accept proxies that are deposited after that time.

Dated at Toronto, Ontario, this 9th day of February, 2010.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) *Ron F. Hochstein*

Ron F. Hochstein
President

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NOTICE TO SHAREHOLDERS

This management information circular (the “**Information Circular**”) and the documents incorporated by reference herein contain certain forward looking-statements and information relating to the business and affairs of Uranium Participation Corporation (“**UPC**”) and Uranium Limited (“**UL**”) that are based on the beliefs of their respective managements and boards, as well as assumptions made by and information currently available to UPC and UL, as applicable. When used in this document, the words “anticipate”, “believe”, “estimate”, and “expect” and similar expressions, as they relate to UPC, UL or their management, are intended to identify forward-looking statements. Such statements reflect the current views of UPC and UL, as applicable, with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of UPC or UL, as applicable, to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Important factors are identified in this Information Circular under the heading, “The Transaction” and “Information Concerning UL”. Other factors include, among others both referenced and not referenced in this Information Circular, changes in general economic conditions and changes in business strategy. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected, and neither UPC nor UL intend, and do not assume any obligation, to update these forward-looking statements.

Please see the sections entitled “UPC Following the Transaction” for certain considerations relevant to the approval of the issuance of New UPC Shares on the completion of the Transaction and the transactions contemplated in connection therewith.

No person is authorized to give any information or to make any representation not contained in this Information Circular, and, if given or made, such information or representation should not be relied upon as having been authorized.

Except as otherwise indicated, the information concerning UL contained in this Information Circular has been provided by UL or taken from or based upon publicly available documents and records on file with securities regulatory authorities and other public sources. Although UPC has no knowledge that would indicate that any statements contained herein concerning UL taken from or based upon such documents and records are untrue or incomplete, neither UPC nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information, or for any failure to disclose events or facts which may have occurred or which may affect the significance or accuracy of any such information but which are unknown to UPC. UPC has no means of verifying the accuracy or completeness of any of the information contained herein relating to the UL that has been provided by UL or that has been derived from UL’s publicly available documents or records or whether there has been any failure by UL to disclose events that may have occurred or may affect the significance or accuracy of any information.

NOTICE TO UNITED KINGDOM SHAREHOLDERS

The following information has been included in the Information Circular for the purposes of complying with the relevant provisions of the UK Takeover Code.

Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the UK Takeover Code, if any person is, or becomes, "interested" (directly or indirectly) in 1% or more of any class of "relevant securities" of UL or of UPC, all "dealings" in any "relevant securities" of UL or of UPC (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30 p.m. on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the offer under the Transaction becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of UL or of UPC, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the UK Takeover Code, all "dealings" in "relevant securities" of UL or of UPC by UPC or UL, or by any of their respective "associates", must be disclosed by no later than 12.00 noon on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Panel's website at www.thetakeoverpanel.org.uk.

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks above are defined in the UK Takeover Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, you should consult the Panel.

EXCHANGE RATE INFORMATION

All dollar amounts set forth in this Information Circular are in Canadian dollars, except where otherwise indicated. The following tables sets forth: (i) the rates of exchange for Canadian dollars, expressed in United States dollars and Pounds Sterling, as applicable, in effect at the end of each of the periods indicated; (ii) the average of exchange rates in effect on the last day of each month during such periods; and (iii) the high and low exchange rates during each such period.

	1 Month Ended January 31, 2010	Year Ended December 31,		
		2009	2008	2007
Rate at end of period.....	\$0.9390	\$0.9555	\$0.8166	\$1.0120
Average rate during period.....	\$0.9588	\$0.8757	\$0.9381	\$0.9304
Highest rate during period.....	\$0.9755	\$0.7716	\$1.0289	\$1.0905
Lowest rate during period.....	\$0.9384	\$0.7692	\$0.7711	\$0.8437

The Bank of Canada noon rate on February 8, 2010 was \$1.00 = US\$0.9353.

	1 Month Ended January 31, 2010	Year Ended December 31,		
		2009	2008	2007
Rate at end of period.....	£0.5865	£0.5911	£0.5588	£0.5102
Average rate during period.....	£0.5932	£0.5617	£0.5098	£0.4654
Highest rate during period.....	£0.6072	£0.6109	£0.5686	£0.5186
Lowest rate during period.....	£0.5791	£0.5222	£0.4853	£0.4264

The Bank of Canada noon rate on February 8, 2010 was \$1.00 = £0.5977.

SUMMARY

The following is a summary of certain information relating to the Transaction contained in this Information Circular. This summary is provided for convenience of reference and is qualified in its entirety by the more detailed information appearing elsewhere in the Notice of Meeting and this Information Circular, including the Appendices, which are incorporated into and form an integral part of this Information Circular.

Terms with initial capital letters in this Summary are defined in the Glossary of Terms beginning on page 8. Unless otherwise noted, all dollar amounts in this Information Circular are expressed in Canadian dollars.

THE MEETING

Date, Place and Purpose of the Meeting

The Meeting will be held in at TMX Broadcast Centre, 130 King Street West, Toronto, Ontario on Tuesday, March 16, 2010 at 10:30 a.m. (Eastern Time) to consider the issuance of New UPC Shares on the acquisition by UPC of all of the issued and to be issued UL Shares by way of a scheme of arrangement under the laws of Guernsey, and, if thought advisable, to approve the Transaction by passing the UPC Resolutions.

For the Transaction to proceed, the UPC Resolutions (a copy of which is attached to this Information Circular as Appendix A) must be approved by a majority of the votes cast in person or by proxy at the Meeting by UPC Shareholders.

Meeting Record Date

UPC has fixed February 9, 2010 as the record date for determining the UPC Shareholders entitled to receive notice of and vote at the Meeting.

THE TRANSACTION

General

On January 10, 2010, UPC and UL entered into the Implementation Agreement providing for, among other things, the acquisition by UPC of all of the issued and to be issued UL Shares by way of a scheme of arrangement of UL under Part VIII of the Companies Law (the “**Scheme**”).

The Scheme is subject to the Conditions and further terms set out in the Scheme Document. If the Scheme becomes effective, UL will become a wholly-owned Subsidiary of UPC. If all required approvals are received and the Transaction is completed:

- Each UL Shareholder will received 0.50 of a New UPC Share for each UL Share held by such UL Shareholder at the Effective Date.
- No fractions of a New UPC Share will be issued.
- Any UL Shares issued to holders of UL Options on the exercise of such options after the Effective Date (and in some cases earlier) will not be included in the Scheme and therefore such holders of UL Options will not be bound by the Scheme. The amendments to the UL Articles to be proposed at the UL General Meeting will provide that any person acquiring UL Shares after the Effective Date (and in some cases earlier) will be required to transfer them to

UL on the basis that they will receive the same number of New UPC Shares to which they would have been entitled had they held UL Shares that were subject to the Scheme, subject to no fractions of a New UPC Share being issued.

It is expected that the Scheme will become effective by close of business in the United Kingdom on March 30, 2010. The Scheme is subject to satisfaction or waiver of the Conditions, including the approval of UL Shareholders by the passing of a resolution approved by a majority in number of the UL Shareholders voting at the UL General Meeting, representing at least 75% of the value of the UL Shares voting at the UL General Meeting. Following the UL Meetings, the Scheme must be sanctioned by the Court and will only become effective upon delivery to the Registrar of Companies of a copy of the order sanctioning the Scheme.

The Implementation Agreement

UL and UPC entered into the Implementation Agreement on January 10, 2010, which provides for the acquisition by UPC of the entire issued and to be issued share capital of UL by way of the Scheme.

The Transaction is conditional on the Scheme becoming unconditional and effective no later than May 10, 2010, or such other date as UL and UPC may agree and the Court may allow. The Scheme is subject to the following Conditions:

- the approval of the Scheme by a majority in number of the UL Shareholders voting at the UL General Meeting and representing 75% or more in value of the UL Shareholders present and voting, either in person or by proxy, at the UL Court Meeting;
- the approval of the UL Resolutions by the requisite majority at the UL General Meeting;
- the Court Order having been obtained and a copy being delivered for registration to the Registrar of Companies;
- the approval of the UPC Resolutions by a simple majority at the Meeting; and
- permission being granted for the New UPC Shares to be listed and posted for trading on the TSX.

The Implementation Agreement also includes certain covenants, conditions, indemnities and other provisions that are customary for a transaction of this nature. Further conditions to the Transaction are contained in the Rule 2.5 Announcement in respect of the Transaction filed under the laws of the United Kingdom, a copy of which is attached to the press release of UPC filed on January 11, 2010 announcing the signing of the Implementation Agreement.

The Effective Date of the Scheme is expected to be March 30, 2010, or such other date as the parties may agree.

See “The Transaction – The Implementation Agreement” and “The Transaction – Rule 2.5 Announcement”.

UPC Following The Transaction

Upon completion of the Transaction, UL will be a wholly-owned Subsidiary of UPC. UPC will hold uranium consisting of 7,250,000 pounds of U₃O₈ and 2,374,230 kgU as UF₆. Denison Mines Inc., the manager of UPC, will be appointed the manager of UL. In addition, Kelvin Williams, the Non-Executive Chairman of UL will join the UPC board of directors.

RECOMMENDATION

Benefits of the Transaction

The Directors of UPC have determined that the Transaction is in the interests of UPC and its shareholders for the following reasons:

- it allows UPC to acquire additional uranium at an attractive price relative to both its historic average cost and its outlook for the long-term price;
- it provides current UPC shareholders with increased uranium holdings per share and increased NAV per share;
- the Transaction is a lower cost alternative relative to a public equity offering and uranium purchase of equivalent scale; and
- the growth in the issued and outstanding share capital of UPC will lead to improved trading liquidity for UPC Shareholders.

Recommendation Of The UPC Board

The UPC Board has concluded that the Transaction is in the interests of UPC and the UPC Shareholders. **The UPC Board recommends that the UPC Shareholders vote in favour of the UPC Resolutions.**

GLOSSARY OF TERMS

In this Information Circular, unless there is something in the subject matter inconsistent therewith, the following terms shall have the respective meanings set out below, words importing the singular number shall include the plural and vice versa and words importing any gender shall include all genders.

“Acquisition Proposal” means any proposal or offer, oral or written, relating to any of the following, other than the Scheme, (i) any merger, amalgamation, arrangement, share exchange, takeover bid, tender offer, recapitalization, consolidation or other business combination directly or indirectly involving UL, (ii) any acquisition of assets representing 20% or more of the book value (on a consolidated basis) of the assets of UL (or any lease, long-term supply agreement, loan, exchange, mortgage, pledge or other transaction having a similar economic effect) in a single transaction or a series of related transactions, (iii) any acquisition of beneficial ownership of 20% or more of the shares of UL, directly or through the acquisition of UL in a single transaction or a series of related transactions, (iv) any acquisition by UL of any assets or capital stock or other securities of another Person (other than acquisitions of capital stock or assets of any other Person that are not, individually or in the aggregate, material to UL taken as a whole), (v) any transaction, the consummation of which would reasonably be expected to impede, interfere with, prevent or materially delay the consummation of the Implementation Agreement, or (vi) any bona fide proposal to, or public announcement of an intention to, do any of the foregoing.

“Act” means the *Business Corporations Act* (Ontario), as it may be amended, superseded or replaced from time to time.

“AIM” means the Alternative Investment Market of the London Stock Exchange.

“Appropriate Regulatory Approvals” means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a Law that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Government Entities, regulatory agencies or self-regulatory organizations that are required in connection with the transactions contemplated by the Implementation Agreement.

“Authorisations” means authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals.

“Business Day” means a day (excluding Saturdays, Sundays and public holidays in the City of London, United Kingdom, the Island of Guernsey and Toronto, Canada) on which banks generally are open for business.

“Code” means the US Internal Revenue Code of 1986, as amended.

“Companies Law” means the Companies (Guernsey) Law, 2008 (as amended) of the Island of Guernsey.

“Conditions” means the conditions to implementation of the Scheme and the Transaction set out in Schedule II of the Rule 2.5 Announcement, the Scheme Document and the Implementation Agreement and **“Condition”** means any of them.

“Cormark” means Cormark Securities Inc., financial advisor to UPC.

“Court” means Royal Court of Guernsey (sitting as an Ordinary Court).

“Court Hearing” means the hearing by the Court of the petition to sanction the Scheme.

“Court Order” the order(s) of the Court.

“Effective Date” means the date on which the Scheme becomes effective in accordance with its terms, which is currently expected to be March 30, 2010.

“GAAP” means Canadian generally accepted accounting principles.

“Governmental Entity” means any (i) multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank or court, including for the avoidance of doubt the European Union, (ii) stock exchange or stock market, including the TSX, the London Stock Exchange and AIM, (iii) tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (iv) subdivision, minister, official, agent, commission, board, or authority of any of the foregoing, or (v) quasi-governmental or other body exercising any regulatory, expropriation, taxing or other authority under or for the account of any of the foregoing.

“IFRS” means the international financial reporting standards and interpretations adopted by the International Accounting Standards Board.

“Implementation Agreement” means the Implementation Agreement dated January 10, 2010 between UPC and UL, as may be amended from time to time.

“Inducement Fee” means £842,855, the amount to be paid to UPC by UL in certain circumstances.

“Law” means all statutes, regulations, statutory rules, policies, orders, and terms and conditions of any grant of approval, permission, authority or license of any court, Governmental Entity, statutory body (including the TSX, the London Stock Exchange, AIM and/or the Takeover Panel) or self-regulatory authority, and the term “applicable” with respect to such Law and in a context that refers to one or more persons, means that such Law applies to such person or persons or its or their business, undertaking, property or securities and emanates from a Governmental Entity, statutory body or regulatory authority having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities.

“NAV” means net asset value.

“New UPC Shares” means the UPC Shares proposed to be issued by UPC as fully paid and non-assessable shares as consideration under the Scheme.

“Notice of Meeting” means the notice to the UPC Shareholders accompanying this Information Circular.

“Panel” means the United Kingdom Panel on Takeovers and Mergers.

“Person” includes any individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Entity, First Nation, syndicate or other entity, whether or not having legal status.

“Registrar of Companies” means the Registrar of Companies in Island of Guernsey.

“Rule 2.5” means Rule 2.5 under the UK Takeover Code.

“Rule 2.5 Announcement” means the announcement of the Transaction as required by Rule 2.5.

“Rule 3” means Rule 3 under the UK Takeover Code.

“Rule 8” means Rule 8 under the UK Takeover Code.

“Rule 9” means Rule 9 under the UK Takeover Code.

“Scheme” means the proposed scheme of arrangement under Part VIII of the Companies Law between UL and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by UL and UPC.

“Scheme Document” means the circular to be addressed to, amongst others, UL Shareholders together with, among other things, the Scheme and notices of the UL Meetings.

“Scheme Order” means the order of the Court sanctioning the Scheme under section Part VIII of the Companies Law.

“Scheme Shareholders” means the holders of Scheme Shares.

“Scheme Shares” means the UL Shares subject to the Scheme.

“Securities Legislation” means the *Securities Act* (Ontario) and the equivalent Law in the other provinces of Canada and the United Kingdom, and the published instruments and rules of any Governmental Entity administering those statutes, as well as the rules, regulations, by-laws and policies of the TSX and AIM.

“SEDAR” means the Systems for Electronic Document Analysis and Retrieval.

“Subsidiary” means a “subsidiary” as defined by the Act.

“Superior Proposal” a bona fide Acquisition Proposal, by any third Person directly or indirectly that the board of directors of UL determines in good faith (which determination, with respect to item (iii) below, has been confirmed by UL’s Rule 3 advisor), in consultation with its financial and legal advisors:

- (i) is reasonably capable of being completed, taking into account all legal, regulatory and other aspects of such offer or proposal and the Person making such proposal;
- (ii) is not subject to any financing condition of a type or nature that the Transaction is not subject to; and
- (iii) would, if consummated in accordance with its terms, be more favourable to the UL Shareholders than the Transaction, as it may be amended.

“Termination Date” means May 10, 2010 or such later date as may be agreed to in writing by UL and UPC.

“Transaction” means the acquisition by UPC of all of the issued and to be issued UL Shares pursuant to the Scheme under the laws of the Island of Guernsey.

“TSX” means the Toronto Stock Exchange.

“UK Takeover Code” means the UK Takeover Code on Takeovers and Mergers of the United Kingdom.

“UL” means Uranium Limited, a company incorporated under the laws of the Island of Guernsey.

“UL Articles” means the articles of incorporation of UL.

“UL Court Meeting” means the meeting of the holders of Scheme Shares convened by order of the Court under section 107 of the Companies Law to consider and, if thought fit, approve the Scheme, including any adjournment thereof.

“UL General Meeting” means the general meeting of UL Shareholders to be held on March 9, 2010 to consider the UL Resolutions, including any adjournment thereof, notice of which is set out in the Scheme Document.

“UL Meetings” means the UL Court Meeting and the UL General Meeting (including any adjourned or postponed meeting) to be held for the purpose of considering and, if deemed advisable, approving the UL Resolutions.

“UL Options” means all options to acquire UL Shares granted pursuant to an agreement dated July 18, 2006 between UL and Nufcor International Limited.

“UL Resolutions” means the resolutions of the UL Shareholders approving the Scheme and all related matters.

“UL Shareholder” means a holder of UL Shares shown from time to time in the register maintained by or on behalf of UL in respect of UL Shares.

“UL Shares” means the ordinary shares in the capital of UL of US\$0.01 each (other than treasury shares).

“United Kingdom” means the United Kingdom of Great Britain and Northern Ireland.

“UPC Group” means UPC and its Subsidiaries and subsidiary undertakings.

“UPC Resolutions” means the resolutions in the form attached as Appendix A.

“UPC Shares” means the common shares without par value in the capital of UPC.

“UPC Shareholder” means the holders of UPC Shares.

GENERAL INFORMATION RESPECTING THE MEETING

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies being made by the management of UPC for use at the Meeting of the UPC Shareholders to be held on Tuesday, the 16th day of March, 2010 and any adjournment thereof, at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors and officers of UPC. All costs of this solicitation will be borne by UPC.

APPOINTMENT OF PROXIES

The individuals named in the accompanying form of proxy (the “Proxy”) are directors or officers of UPC. **A UPC SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON OR CORPORATION (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE UPC SHAREHOLDER AND ON THE UPC SHAREHOLDER’S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON’S OR CORPORATION’S NAME IN THE BLANK SPACE PROVIDED IN THE PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER PROXY.** No proxy, including the Proxy, will be valid for use at the Meeting, or any adjournment thereof, unless it is completed, dated and signed and delivered to Computershare Investor Services Inc. (“Computershare”), Toronto Office, Proxy Department, at 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1, **by 10:30 a.m. (Eastern Time) on March 12, 2010.** For general inquiries, shareholders may contact Computershare as follows:

By Phone:	1-800-564-6253
By Fax:	1-888-453-0330
By Email:	service@computershare.com

ADVICE TO NON-REGISTERED HOLDERS OF COMMON SHARES

These shareholder materials are being sent to both registered and non-registered owners of UPC Shares. If you are a non-registered owner and UPC or its agent has sent these materials directly to you, then your name, address and information about your share holdings have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, UPC (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The information set forth in this section is of significant importance to many UPC Shareholders, as a substantial number of UPC Shareholders do not hold UPC Shares in their own name. UPC Shareholders who do not hold UPC Shares in their own name, referred to in this Information Circular as non-registered holders, should note that only proxies deposited by UPC Shareholders whose names appear on the records of UPC as the registered holders of UPC Shares can be recognized and acted upon at the Meeting. However, in many cases, UPC Shares beneficially owned by a non-registered holder are either:

- (a) in the name of an intermediary that the non-registered holder deals with in respect of the UPC Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a depository (such as The Canadian Depository for Securities Limited or “CDS”) of which the intermediary is a participant.

In accordance with Canadian securities Law, UPC has distributed copies of the Notice of Meeting and Information Circular and the form of proxy to CDS and intermediaries for onward distribution to those non-registered holders to whom UPC has not sent the meeting materials directly.

In such cases, intermediaries are required to forward meeting materials to non-registered holders, unless a non-registered holder has waived the right to receive them. Very often, intermediaries will use a service corporation (such as Broadridge Investor Communications) to forward the meeting materials to non-registered holders.

Non-registered holders who have not waived the right to receive meeting materials will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit non-registered holders to direct the voting of the UPC Shares that they beneficially own. Non-registered holders should follow the procedures set out below, depending on which type of form they receive.

A. Voting Instruction Form. In most cases, a non-registered holder will receive, as part of the meeting materials, a voting instruction form. If the non-registered holder does not wish to attend and vote at the meeting in person (or have another person attend and vote on the non-registered holder’s behalf), the voting instruction form must be completed, signed and returned in accordance with the directions on the form. If a non-registered holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the non-registered holder’s behalf), the non-registered holder must complete, sign and return the voting instruction form in accordance with the directions provided, and a form of proxy giving the right to attend and vote will be forwarded to the non-registered holder.

OR

B. Form of Proxy. Less frequently, a non-registered holder will receive, as part of the meeting materials, a form of proxy that has already been signed by the intermediary (typically by facsimile, stamped signature) which is restricted as to the number of UPC Shares beneficially owned by the non-registered holder, but which is otherwise uncompleted. If the non-registered holder does not wish to attend and vote at the Meeting in person (or to have another person attend and vote on the non-registered holder’s behalf), the non-registered holder must complete the form of proxy and deposit it with Computershare as described above. If a non-registered holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the non-registered holder’s behalf), the non-registered holder must strike out the names of the persons named in the proxy and insert the non-registered holder’s (or such other person’s) name in the blank space provided.

Non-registered holders should follow the instruction on the forms that they receive and contact their intermediaries promptly if they need assistance.

REVOCATION OF PROXIES

A registered shareholder who has given a Proxy may revoke it by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of UPC, at the Atrium on Bay, Suite 402, 595 Bay St., Toronto, Ontario, Canada, M5G 2C2, **at any time up to and including the last business day preceding the day of the Meeting or any adjournment** of it or to the chair of the Meeting on the day of the Meeting or any adjournment of it. **Only registered shareholders have the right to revoke a Proxy. Non-registered holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective intermediaries to revoke the Proxy on their behalf.**

A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

EXERCISE OF DISCRETION

If the instructions in a Proxy are certain, the common shares represented thereby will be voted on any poll by the persons named in the Proxy and, where a choice with respect to any matter to be acted upon has been specified in the Proxy, the common shares represented thereby will, on a poll, be voted or withheld from voting in accordance with the specifications so made.

Where no choice has been specified by the UPC Shareholder, such UPC Shares will, on a poll, be voted in accordance with the notes to the Proxy. In particular, and without limiting the foregoing, a management nominee will vote any Proxy held by him or her in favour of any resolution in respect of which no choice has been specified in the Proxy.

The enclosed Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed proxy holders thereunder to vote with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of the printing of this Information Circular, the management of UPC knows of no such amendment, variation or other matter that may be presented to the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As at the date hereof, UPC has issued and outstanding 85,697,341 fully paid and non-assessable UPC Shares. Holders of the outstanding UPC Shares whose names are entered on the register of shareholders of UPC at the close of business on February 9, 2010, which is the record date, will be entitled to attend in person or appoint a proxy nominee to attend the Meeting and such persons will be entitled to vote on a show of hands and, on a poll, will be entitled to one vote for each UPC Share held on that date.

To the knowledge of the directors and executive officers of UPC, and based upon UPC's review of the records maintained by Computershare, electronic filings with SEDAR and insider reports filed with the System for Electronic Disclosure by Insiders ("**SEDI**") as of February 9, 2010, the only person or company who beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of UPC carrying more than 10% of the voting rights attached to any class of voting securities of UPC is as follows:

<u>Name</u>	<u>Number of Common Shares</u>	<u>Percentage of Outstanding Common Shares</u>
Wellington Management Company, LLP	11,997,627	14.00%

⁽¹⁾ This number was obtained from a Rule 8.3 announcement filed by Wellington Management Company, LLP dated February 3, 2010 and has not been verified by UPC.

THE TRANSACTION

OVERVIEW OF THE TRANSACTION

On January 10, 2010, UPC and UL entered into the Implementation Agreement providing for, among other things, the acquisition by UPC of all of the issued and to be issued UL Shares by way of a scheme of arrangement under Part VIII of the Companies Law.

The Scheme is subject to the Conditions and further terms set out in the Scheme Document. If the Scheme becomes effective, UL will become a wholly-owned Subsidiary of UPC. If all required approvals are received and the Transaction is completed:

- Each UL Shareholder will receive 0.50 New UPC Shares for each UL Share held by such UL Shareholder at the Effective Date.
- No fractions of a New UPC Share will be issued.
- Any UL Shares issued to holders of UL Options on the exercise of such options after the Effective Date (and in some cases earlier) will not be included in the Scheme and therefore such holders of UL Options will not be bound by the Scheme. The amendments to the UL Articles to be proposed at the UL General Meeting will provide that any person acquiring UL Shares after the Effective Date (and in some cases earlier) will be required to transfer them to UL on the basis that they will receive the same number of New UPC Shares to which they would have been entitled had they held UL Shares that were subject to the Scheme, subject to no fractions of a New UPC Share being issued.

It is expected that the Scheme will become effective by the close of business on March 30, 2010.

The Scheme is subject to satisfaction or waiver of the Conditions, including the approval of UL Shareholders by passing of a resolution approved by a majority in number present and voting, in person or by proxy, at the UL Court Meeting and representing at least 75% of the value of the UL Shares held by them. Following the UL Meetings, the Scheme must be sanctioned by the Court and will only become effective upon delivery to the Registrar of Companies of a copy of the order sanctioning the Scheme. The votes of the UL Shareholders present and voting, in person or by proxy, at the UL General Meeting representing at least 75% of the value of the UL Shares are required to amend the UL Articles.

In addition, the issuance of the New UPC Shares must be approved at the Meeting.

In connection with the completion of the Scheme, UPC will issue approximately 20,625,000 New UPC Shares to UL Shareholders, and will reserve for issuance up to 1,237,500 New UPC Shares in connection with the outstanding UL Options. Assuming that UPC issues no additional UPC Shares after the date of this Information Circular, the New UPC Shares that will be issued to UL Shareholders represent (i) approximately 24.1% of the currently issued and outstanding UPC Shares (approximately 25.5% assuming the issue of New UPC Shares that may be issued pursuant to outstanding UL Options), and (ii) approximately 19.4% of the outstanding UPC Shares following completion of the Transaction (approximately 20.6% assuming the issue of New UPC Shares that may be issued pursuant to outstanding UL Options).

Following the completion of the Transaction, Kelvin Williams, the Non-Executive Chairman of UL, will join the UPC Board.

BACKGROUND TO THE TRANSACTION

Since its inception, the mission of UPC has been to provide an investment alternative for investors interested in holding uranium. The strategy of UPC is to invest in holdings of uranium and not to actively speculate with regard to short-term changes in uranium prices. This strategy provides investors with an ability to invest in uranium in a manner that does not directly include risks associated with investments in companies that engage in the exploration, mining and processing of uranium.

UPC has satisfied investor demand by conducting equity financings and market purchases of uranium. UPC's criteria when considering a public offering and purchase of uranium are principally the following:

- the trading price of its shares in relation to its NAV;
- the availability of uranium in the spot market at attractive prices; and
- the level of investor demand for UPC Shares.

With these criteria the Board can determine if growing UPC's uranium holdings is attractive. Since May 2005, UPC has completed eight public offerings, raising gross proceeds of Cdn\$647.0 million, and a further Cdn\$31.2 million from the exercise of previously issued warrants.

As UPC grows and issues new equity, current and future shareholders benefit from increased trading liquidity, allowing them to buy and sell UPC Shares based on their own views on current and future uranium prices.

In considering whether to proceed with the Transaction, Directors of UPC evaluated the aforementioned criteria and a number of factors, including its stated strategy to invest in uranium with the goal of long-term value appreciation.

The Directors of UPC have determined that the Transaction is in the interests of UPC and its shareholders for the following reasons:

- it allows UPC to acquire additional uranium at an attractive price relative to both its historic average cost and its outlook for the long-term price;
- it provides current UPC shareholders with increased uranium holdings per share and increased NAV per share;
- the Transaction is a lower cost alternative relative to a public equity offering and uranium purchase of equivalent scale; and
- the growth in the issued and outstanding share capital of UPC will lead to improved trading liquidity for UPC shareholders.

As a result of the Transaction, UPC will hold 7,250,000 pounds of U₃O₈ and 2,374,230 kgU as UF₆.

Mr. Jeff Kennedy has advised the UPC Board of his connections to Cormark, who has acted as financial advisor to UPC on the Transaction, and his consequent interest in the Transaction, and abstained from voting at the meeting of the UPC Board with respect to the Transaction.

REGULATORY MATTERS

TSX Requirements

The TSX has granted conditional approval for the listing of New UPC Shares to be issued under the Transaction. The conditions includes approval of the UPC Resolutions at the Meeting.

EXPENSES OF THE TRANSACTION

The estimated costs to be borne by UPC relating to the Transaction, including financial, accounting, and legal advisor fees, costs of preparation, mailing and printing of this Information Circular, and costs of holding the Meeting, are expected to be approximately \$3.1 million.

THE IMPLEMENTATION AGREEMENT

The following is a summary of the material provisions of the Implementation Agreement entered into between UPC and UL on January 10, 2010. For all of the terms and conditions provided for in the Implementation Agreement, please refer to the complete text of the Implementation Agreement, a copy of which is available under UPC's profile on SEDAR at www.sedar.com. All capitalized terms under this section which are not otherwise defined herein shall have the respective meanings ascribed to such terms in the Implementation Agreement. **The following description of certain material provisions of the Implementation Agreement is a summary only, is not comprehensive and is qualified in its entirety by reference to the full text of the Implementation Agreement. You are encouraged to read the Implementation Agreement in its entirety, as it is a legal document governing the Transaction.**

THE SCHEME

The Implementation Agreement provides for the acquisition of all of the issued and to be issued UL Shares by UPC by way of a scheme of arrangement under the provisions of Part VIII of the Companies Law.

MUTUAL COVENANTS OF UL AND UPC

Under the terms of the Implementation Agreement, each of UL and UPC has agreed to certain mutual covenants that are customary for a transaction of this nature, subject to exceptions or as otherwise expressly permitted by the Implementation Agreement or otherwise required by applicable Law, relating to among other things, carrying on business in a manner consistent with past practice, working to contribute to and preserve goodwill, restricting reorganization of share capital, not disposing of material assets, not guaranteeing payment of material indebtedness, maintaining insurance policies, not modifying or entering into material contracts and advising the other party of any material adverse change in respect of the party and any material breach by the party of any covenant or agreement contained in the Implementation Agreement.

UL and UPC have each also agreed that, prior to the completion of the Transaction, each party will, and will cause its Subsidiaries to, do all such acts necessary in order to make effective the transactions contemplated by the Implementation Agreement and, without limiting the generality of the foregoing, each of UPC and UL, as applicable, will (and where appropriate will cause its Subsidiaries to):

- use commercially reasonable efforts to ensure the satisfaction of the Conditions;

- defend all lawsuits or other legal, regulatory or other proceedings to which it is a party affecting the Implementation Agreement or the consummation of the transactions contemplated by the Implementation Agreement;
- use its commercially reasonable efforts to have lifted any injunction or restraining order or other order relating to any member of the UL, the UL Shares or UPC, as the case may be, which may adversely affect the ability of the parties to consummate the transactions contemplated by the Implementation Agreement;
- effect all necessary registrations, filings and submissions of information required from any member of the UL or the UPC Group, as the case may be, in order to obtain the Appropriate Regulatory Approvals;
- use its commercially reasonable efforts to obtain all necessary waivers, consents and approvals required to be obtained from other parties to any material agreement in connection with or as a consequence of the transactions contemplated by the Implementation Agreement; and
- not take any action, or permit any action to be taken which would reasonably be expected to prevent or materially delay completion of transactions contemplated by the Implementation Agreement except as specifically permitted by the Implementation Agreement.

ADDITIONAL COVENANTS OF UPC

UPC has also agreed that it will, and will cause its Subsidiaries to, do all such acts as may be necessary in order to make effective the transactions contemplated by the Implementation Agreement, and in particular, that it will, or will cause its Subsidiaries to:

- use its commercially reasonable efforts to remain a reporting issuer (or subject to equivalent reporting requirements), not in default of its obligations, under Securities Legislation in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Newfoundland and Labrador and Prince Edward Island;
- use its commercially reasonable efforts to maintain the listing of the UPC Shares on the TSX; and
- not enter into or modify in any material respect any agreements or arrangements or take any other action that would reasonably be expected to materially adversely affect the value of the assets or the shares of UPC or its Subsidiaries.

ADDITIONAL COVENANTS OF UL

UL has also agreed that it will do all such acts as may be necessary in order to make effective the transactions contemplated by the Implementation Agreement, and in particular, that it will:

- not return capital to its shareholders or repay any indebtedness for borrowed money before it is due;
- not amend, vary or modify the terms of the UL Options, or otherwise modify any stock option plan or agreement, pursuant to which UL Options are granted, or any UL Options;
- not:

- other than in the ordinary course of business, enter into or materially modify any employment, severance, collective bargaining or similar agreements, policies or arrangements with, or grant any material bonuses, salary increases, stock options, pension or supplemental pension benefits, profit sharing, retirement allowances, deferred compensation, incentive compensation, severance or termination pay to, or make any loan to, any officers or directors of it; or
 - other than in the ordinary course of business, in the case of employees who are not officers or directors, take any action with respect to the entering into or modifying of any material employment, severance, collective bargaining or similar agreements, policies or arrangements or with respect to the grant of any material bonuses, salary increases, stock options, pension or supplemental pension benefits, profit sharing, retirement allowances, deferred compensation, incentive compensation, severance or termination pay or any other form of compensation or profit sharing or with respect to any increase of benefits payable;
- not enter into or modify in any material respect any agreements or arrangements or take any other action that would reasonably be expected to materially adversely affect the value of the assets or the shares of UL;
 - after the Rule 2.5 Announcement and prior to the UL Court Meeting, take all commercially reasonable steps to obtain an irrevocable undertaking from each UL Shareholder holding more than 1% of the UL Shares;
 - apply for and use all reasonable efforts to obtain all necessary approvals of the Court, including the Scheme Order;
 - carry out the terms of such approvals of the Court (including mailing the Scheme Document to UL Shareholders as ordered by the Court) and the Scheme Order applicable to it and use its commercially reasonable efforts to comply with all requirements which applicable Law may impose on UL with respect to the transactions contemplated by the Implementation Agreement and the Scheme;
 - use its reasonable efforts to cause, as soon as reasonably practicable after the Effective Date, all of the directors of UL and any other director nominees of UL to resign and to cause individuals nominated by UPC to become directors of such entities in their place;
 - maintain a positive working capital balance; and
 - maintain holdings of U₃O₈ of not less than 1,725,000 pounds and not less than 412,000 kgU as UF₆.

CONDITIONS OF THE SCHEME

1. The Transaction is conditional on the Scheme becoming unconditional and effective by not later than May 10, 2010 or such later date as UL and UPC may agree and the Court may allow.
2. The Scheme is subject to the following conditions:
 - a. the approval by a majority in number representing 75 per cent. or more in value of the holders of Scheme Shares (together with persons held to be in the same class), or the relevant class or classes thereof, if applicable, (excluding any shares held in treasury) present and voting, either in person or by proxy, at the UL Court Meeting and at any

- separate class meeting which may be required by the Court (or at any adjournment of any such meeting);
- b. the resolutions substantially in the form set out in the notice of the UL General Meeting being duly passed by the requisite majority at the UL General Meeting (or at any adjournment thereof);
 - c. the Court Order being obtained (with or without modifications, but subject to any such modifications being on terms acceptable to UL and UPC);
 - d. conditional listing approval being granted for listing and posting for trading of the New UPC Shares on the TSX; and
 - e. the resolutions substantially in the form set out in Appendix A duly passed at the Meeting (or any adjournment thereof).
3. In addition, UPC and UL have agreed that the Transaction is conditional upon the following matters and, accordingly, the necessary action to make the Scheme effective will not be taken unless the following conditions (as amended if appropriate) have been satisfied or waived.

a. Authorisations

- i. all Authorisations in any jurisdiction which is necessary for or in respect of the Transaction, its implementation or any acquisition of any shares in, or control of, UL by any member of the UPC Group having been obtained from any relevant Person or authority or from any Person or body with whom UL or any member of the UPC Group has entered into contractual arrangements in each case where the absence of such Authorisation is material in the context of the Transaction and all such Authorisations remaining in full force and effect and there being no intimation of any intention to revoke or not renew the same; and
- ii. all Authorisations necessary to carry on the business of UL remaining in full force and effect and there being no notification of any intention to revoke or not to renew the same; and
- iii. all necessary notifications, filings, or applications having been made and all applicable waiting and other periods (including extensions of such periods) having expired, lapsed or been terminated, and all applicable statutory or regulatory obligations in any jurisdiction in respect of the Transaction having been complied with, in each case, in respect of the acquisition of any shares in or control of, UL by UPC, including without limitation pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 of the United States.

b. Intervention

No relevant Person having taken, instituted, implemented or threatened any legal proceedings, or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, order or decision or taken any other step and there not continuing to be outstanding any statute, regulation, order or decision that would or might reasonably be expected to:

- i. make the Transaction, its implementation or the acquisition or proposed acquisition of any shares in, or control or management of, UL by UPC or any

subsidiary of UPC illegal, void or unenforceable; or

- ii. otherwise directly or indirectly prevent, prohibit or otherwise restrict, restrain, delay or interfere with the implementation of, or impose additional conditions or obligations with respect to or otherwise challenge or require amendment of, the Transaction or the proposed acquisition of UL directly or indirectly by UPC or any acquisition of UL Shares by UPC; or
- iii. require, prevent or delay the divestiture (or alter the terms of any proposed divestiture), by or result in any delay to, UPC of any divestiture of any shares or other securities in UL; or
- iv. impose any limitation on the ability of any member of the UPC Group to acquire or hold or exercise effectively, directly or indirectly, any rights of ownership of shares or other securities or the equivalent in UL or to exercise management control over UL; or
- v. require, prevent or delay the disposal by UPC or any member of the UPC Group, of all or any part of their respective businesses, assets or properties or impose any material limitation on the ability of any of them to conduct all of their respective businesses or own all or their respective assets or properties; or
- vi. require any member of the UPC Group or UL to offer to acquire any shares or other securities (or the equivalent) in any member or any other assets of UL or the UPC Group owned by any third party (in each case, other than in implementation of the Transaction); or
- vii. result in any member of the UPC Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods during which any such relevant person could institute, or implement or threaten any legal proceedings, having expired, lapsed or been terminated.

c. Consequences of the Transaction

Save as disclosed, there being no material provision of any agreement to which UL is a party, or by or to which any such member, or any part of their assets, is or may be bound, entitled or subject, which would as a consequence of the Transaction or of the acquisition or proposed acquisition of all or any part of the issued share capital of, or change of control or management of, UL to an extent that is material in the context of UL, result in:

- i. any assets or interests of UL being or failing to be disposed of or charged in any way or ceasing to be available to UL or any rights arising under which any such asset or interest could be required to be disposed of or charged in any way or could cease to be available to UL; or
- ii. any moneys borrowed by, or other indebtedness (actual or contingent) of, or any grant available to, UL being or becoming repayable or capable of being declared repayable immediately or earlier than the repayment date stated in

such agreement or the ability of UL to incur any such borrowing or indebtedness becoming or being capable of becoming withdrawn, inhibited or prohibited; or

- iii. any such agreement or the rights, liabilities, obligations or interests of UL under it being terminated or adversely modified or affected or any onerous obligation arising or any adverse action being taken under it; or
- iv. the interests or business of UL in or with any third party (or any arrangements relating to any such interests or business) being terminated or adversely modified or affected; or
- v. the financial or trading position or prospects or value of UL being prejudiced or adversely affected; or
- vi. the creation of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of UL or any such security (whenever arising or having arisen) becoming enforceable or being enforced; or
- vii. UL ceasing to be able to carry on business under any name under which it currently does so; or
- viii. the creation of actual or contingent liabilities by UL other than in the ordinary course of trading; or
- ix. the ability of UL or any member of the UPC Group to carry on its business being adversely affected,

and, other than as disclosed, no event having occurred which, under any provision of any such agreement to which UL or the UPC Group is a party, or by or to which any such member, or any of its assets, may be bound, entitled or subject, could result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (ix) inclusive.

d. No Corporate Action Taken Since the Accounting Date

Since June 30, 2009, save as otherwise disclosed or pursuant to transactions in favour of UL, UL has not:

- i. issued or agreed to issue or authorized or proposed the issue or grant of additional shares of any class or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities (save pursuant to the issue of UL Shares on the exercise of disclosed UL Options); or
- ii. redeemed, purchased, repaid or reduced or announced the redemption, purchase, repayment or reduction of any part of its share capital or other securities or made, authorized or proposed or announced the making of any other change to its share or loan capital; or
- iii. recommended, declared, paid or made or proposed to recommend, declare, pay or make any dividend, bonus issue or other distribution whether payable in cash or otherwise; or

- iv. undertaken a conversion under Part V of the Companies Law; or
- v. undertaken an amalgamation under Part VI of the Companies Law; or
- vi. undertaken a migration under Part VII of the Companies Law; or
- vii. undertaken an arrangement or reconstruction (other than the Scheme) under Part VIII of the Companies Law; or
- viii. merged or demerged with or from, or acquired, any body corporate or authorized or proposed or announced any intention to propose any such merger or demerger; or
- ix. other than in the ordinary course of business acquired or disposed of, transferred, mortgaged or charged, or created or granted any security interest over, all or any portion of its assets (including shares and trade investments) or authorized or proposed or announced any intention to propose any acquisition, disposal, transfer, mortgage, charge or creation or grant of any such security interest; or
- x. issued or authorized or proposed the issue of any debentures or incurred or increased any borrowings, indebtedness or liability (actual or contingent); or
- xi. entered into or varied, or authorized or proposed the entry into or variation of, or announced its intention to enter into or vary, any transaction, arrangement, contract or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude (other than to a nature and extent which is normal in the context of the business concerned or which is or could involve obligations which would or might reasonably be expected to be so long, onerous or unusual in nature or magnitude) or which is restrictive to the existing business of UL (other than to a nature and extent which is normal in the context of the business concerned or which is or could involve obligations which would or might reasonably be expected to be so restrictive) or which is not in the ordinary course of business; or
- xii. entered into, implemented, effected, authorized or proposed or announced its intention to enter into, implement, effect, authorize or propose any contract, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement other than in the ordinary course of business; or
- xiii. waived or compromised any claim (other than in the ordinary course of business); or
- xiv. entered into or varied or made any offer (which remains open for acceptance) to enter into or vary the terms of any contract with any of the directors or senior executives of UL; or
- xv. entered into or varied or made any offer (which remains open for acceptance) to enter into or vary any contract for the management of the business or operations of UL; or

- xvi. had any petition presented for its winding-up (voluntary or otherwise), dissolution or reorganization or for the appointment of a provisional liquidator, receiver, administrator, administrative receiver, trustee or similar officer of all or any part of its assets and revenues or for any analogous proceedings or steps in any jurisdiction or for the appointment of any analogous person in any jurisdiction or been declared “en etat de desastre”; or
- xvii. been unable, or admitted in writing that it is unable, to pay its debts or has stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business; or
- xviii. made any alteration to its articles of incorporation, or other incorporation documents; or
- xix. entered into any agreement or passed any resolution or made any offer (which remains open for acceptance) or proposed or announced any intention with respect to any of the transactions, matters or events referred to in this condition d other than in the ordinary course of business.

e. Other Events Since the Accounting Date

In the period since June 30, 2009, save as disclosed:

- i. no litigation or arbitration proceedings, prosecution, investigation or other legal proceedings having been announced, instituted, threatened or remaining outstanding by, against or in respect of, UL is or may become a party (whether as claimant, defendant or otherwise) which in any case, would be likely to have an adverse effect on the financial position of UL; and
- ii. no event, change or condition has occurred or become known to UL which has resulted in or could be reasonably expected to have an adverse change or a deterioration in the business or assets or financial or trading position, assets, liabilities or profits or prospects of UL; and
- iii. no enquiry or investigation by, or complaint or reference to, any relevant person or authority against or in respect of UL having been threatened, announced, implemented or instituted or remaining outstanding by, against or in respect of UL which in any case, would be likely to have an adverse effect on the financial position of UL; and
- iv. no contingent or other liability having arisen or become apparent or increased which in any case, would be likely to have an adverse effect on the financial position of UL.

f. Other Issues

Save as disclosed, UPC not having discovered that (in each case to an extent which is adverse in the context of UL):

- i. the financial, business or other information disclosed at any time by UL, whether publicly or in the context of the Transaction either contained a misrepresentation of

fact or omitted to state a fact necessary to make the information disclosed not misleading in any respect;

- ii. UL has failed to comply with any applicable legislation or regulations of any jurisdiction with regard to the storage or transportation of uranium (whether or not the same constituted noncompliance with any such legislation or regulation, and wherever the same may have taken place), any of which would be reasonably likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of UL;
4. Subject to the requirements of the Panel, UPC reserves the right to unilaterally waive all or any of the Conditions contained in paragraphs 2d, 2e, 3a, 3b, 3c, 3d, 3e and 3f (above), in whole or in part.
5. The Transaction is governed by the laws of the Island of Guernsey and is subject to the jurisdiction of the courts of the Island of Guernsey. The rules of the UK Takeover Code, so far as they are appropriate, apply to the Transaction.
6. UPC reserves the right to elect to implement the Transaction by way of an offer under the UK Takeover Code. In such event, such offer will be implemented on the same terms subject to appropriate amendments, including (without limitation) an acceptance condition set at 90 per cent. in value of the UL Shares affected (excluding any UL Shares held as treasury shares), so far as applicable, as those which would apply to the Scheme.
7. UPC shall be under no obligation to waive or treat as satisfied, and UL shall be under no obligation to waive or treat as satisfied any of the Conditions in paragraph 2 by a date earlier than the latest date for satisfaction thereof, notwithstanding that the other Conditions of the Transaction may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of the Conditions may not be capable of fulfilment.
8. If UPC is required by the Panel to make an offer for UL Shares under the provisions of Rule 9, UPC may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.
9. The Scheme will not proceed if, before the date of the UL Court Meeting, (or if the Transaction is implemented by means of an offer under the UK Takeover Code, the offer will lapse if, before the first closing date of the offer or when the offer becomes or is declared unconditional as to acceptances, whichever is the later) the Transaction is referred to the United Kingdom Competition Commission for investigation under the United Kingdom Enterprise Act 2002 ("Enterprise Act"), or the European Commission either (i) initiates proceedings under Article 6(1)(c) of the Council Regulation (EC) No. 139/2004 ("Regulation") or (ii) makes a referral to a competent authority of the United Kingdom under Article 9.1 of the Regulation and there is a subsequent reference to the Competition Commission for investigation under the Enterprise Act or (iii) makes a referral to any other competent authority under Article 9.1 of the Regulation.

NON-SOLICITATION

Under the Implementation Agreement, UL has agreed to immediately cease and cause to be terminated any and all existing discussions, solicitations, encouragement, negotiations, if any, with any person other than UPC with respect to any potential Acquisition Proposal and to discontinue all access to or disclosures of information relating to UL to any person other than UPC.

UL has agreed to not, directly or indirectly, through any officer, director, employee, representative or agent of UL:

- solicit, initiate, invite or knowingly encourage or otherwise facilitate (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) the initiation of any inquiries or proposals regarding an Acquisition Proposal;
- participate in any negotiations or discussions regarding or provide any confidential information with respect to or otherwise cooperate in any way with any Acquisition Proposal;
- subject to the exercise by the board of directors of UL of its legal duties (including its fiduciary duties), withdraw or modify in a manner adverse to UPC the approval of the board of directors of UL of the transactions contemplated hereby;
- approve or recommend any Acquisition Proposal; or
- enter into any agreement, arrangement or understanding related to any Acquisition Proposal.

However, the board of directors and officers of UL may (x) cause UL to comply with its disclosure obligations under applicable securities legislation, the UK Takeover Code, or any law; or (y) prior to the issuance of the Court Order, consider, respond to, participate in any discussions or negotiations, or enter into a confidentiality agreement and provide information, in response to an unsolicited *bona fide* Acquisition Proposal received from a third party so long as such action did not otherwise result from a breach of the non-solicit obligation in the Implementation Agreement and in respect of which the board of directors of UL determines, in good faith after consultation with its financial advisers and outside counsel, that it should, in the proper exercise of its legal duties, consider; and that the same constitutes, or if completed in accordance with its terms would constitute, a Superior Proposal.

Under the Implementation Agreement UL must, prior to entering into any such discussions or any such confidentiality agreement, notify UPC that it intends to do so, provided any such confidentiality agreement does not prevent UL from providing information to UPC and shall not prevent UL from providing to UPC a copy (redacted only as to the name of the party making such proposal) of any Acquisition Proposal determined by the board of UL to be a Superior Proposal, pursuant to this Agreement.

UL has also agreed not release any third party from any confidentiality or standstill agreement to which UL and such third party is a party or amend any of the foregoing and shall exercise all rights to require the return of information regarding UL previously provided to such parties and shall exercise all rights to require the destruction of all materials including or incorporating any information regarding UL.

UL must immediately notify UPC, at first orally and then in writing, of receipt by UL of any Acquisition Proposal from a third party and any inquiry that is reasonably likely to lead to such an Acquisition Proposal, and of any amendments to an Acquisition Proposal, or any request for non-public information relating to UL in connection with an Acquisition Proposal or for access to the properties, books or records of UL by any Person in connection with an Acquisition Proposal. Any such notice must include details of the material terms of the Acquisition Proposal, and such other details of the proposal, inquiry or contact as UPC may reasonably request to the extent that UL is not prevented by Law from disclosing the same to UPC. UL shall keep UPC reasonably informed of the status of such Acquisition Proposal, including details of any change to the material terms of any such Acquisition Proposal or inquiry. UL must provide to UPC as soon as reasonably practicable, but in any event within 24 hours of receipt of any material correspondence or information, a summary of all material correspondence and other information sent or provided: (i) to UL by any Person in connection with any

Acquisition Proposal; and (ii) by UL to any Person in connection with any Acquisition Proposal, provided that any such summary may omit or redact the name of such Person.

If UL receives a request for material non-public information from a Person who has made an unsolicited *bona fide* Acquisition Proposal and UL is permitted, as contemplated under the Implementation Agreement, to respond to or discuss the terms of such Acquisition Proposal, then, and only in such case, the board of directors of UL may, subject to the execution by such Person of confidentiality agreement containing a standstill provision, provide such Person with access to information regarding UL; provided that UL sends a copy of any such confidentiality agreement to UPC promptly upon its execution and with copies of the information provided to such Person and immediately provided with access to information similar to that which was provided to such Person.

The board of directors of UL may withdraw, modify or change its recommendation to the UL Shareholders in respect of the Transaction before the approval of the Scheme by the UL Shareholders, if the board of directors of UL determines in good faith that such withdrawal, modification or change is necessary for the board of directors of UL to act in a manner consistent with its legal duties (including its fiduciary duties) or applicable Law; provided that (i) not less than 48 hours before the board of directors of UL considers any such withdrawal, modification or change, UL shall give UPC written notice thereof, including a summary of the reasons for such withdrawal, modification or change, including information relied upon, together with copies of any relevant documents which are considered by the UL board to resolve such decision to withdraw, modify or change its recommendation; and (ii) the foregoing shall not relieve UL from its obligation to proceed to call and hold the UL Meetings and to hold the vote on the UL Resolutions, except if this Agreement is terminated in accordance with the terms hereof or any withdrawal of the recommendation is replaced by a new recommendation by UL's board to vote against the UL Resolutions.

SUPERIOR PROPOSAL

Under the terms and conditions of the Implementation Agreement, UL has agreed that it may only accept, approve, recommend or enter into any agreement, understanding or arrangement in respect of a Superior Proposal if:

- it has provided UPC with written notice of such Superior Proposal specifying (i) the material terms and conditions of such Superior Proposal, (ii) the identity of the Person making such Superior Proposal and (iii) the date UL received a copy of such Superior Proposal document;
- five business days (the “**Match Period**”) shall have elapsed from the date UPC received written notice advising UPC that UL's board of directors has resolved to approve, recommend or enter into an agreement in respect of such Superior Proposal; and
- it has previously or concurrently will have (i) paid to UPC the Inducement Fee, if any, payable under the Implementation Agreement and (ii) terminated the Implementation Agreement in accordance with its terms.

During the Match Period, UL agrees that UPC will have the right, but not the obligation, to offer to amend the terms of the Implementation Agreement. The board of directors of UL will review any amendment to the Implementation Agreement in good faith in order to determine whether the amended terms proposed by UPC would be at least as favourable to the UL Shareholders as the Superior Proposal. If the board of directors of UL so determines, it will enter into an amended agreement with UPC reflecting UPC's amended proposal. If the board of directors of UL continues to believe, in good faith after consultation with its financial advisors and outside counsel, that UPC's amended proposal would not be at least as favourable to the UL Shareholders as the Superior

Proposal, then UL may terminate the Implementation Agreement, provided that UL pays the Inducement Fee to UPC.

TERMINATION

The Implementation Agreement may be terminated at any time prior to the Effective Date (notwithstanding any approval of the Implementation Agreement or the transactions contemplated thereby by the Court, the UL Shareholders or UPC shareholders):

- by either UL or UPC, if:
 - the completion of the Transaction has not occurred on or before the Termination Date, except that this right to terminate the Implementation Agreement will not be available to any party whose failure to fulfill any of its obligations under the Agreement has been the cause of, or resulted in, the failure of the Transaction to occur by the Termination Date;
 - any Law is passed that makes consummation of the transactions contemplated by the Implementation Agreement illegal or otherwise prohibited;
 - the UL Shareholders fail to approve the UL Resolutions at the UL Meetings;
 - the UPC shareholders fail to approve the UPC Resolutions at the Meeting; or
 - the Court fails to sanction the Scheme at the Court Hearing.

- by UPC, if:
 - prior to obtaining the approval of the UL resolutions, the board of directors of UL has failed to recommend or withdrawn or modified or changed in a manner adverse to UPC its approval or recommendation of the Scheme or the UL resolutions; or
 - UL has breached any of its obligations in respect of its covenants, include covenants relating to non-solicitation and Superior Proposals;

- by UL, if:
 - prior to obtaining the approval of the UPC resolutions, the UPC board of directors has failed to recommend or withdrawn or modified or changed in a manner adverse to UL its approval or recommendation of the UPC resolutions; or
 - it wishes to accept, approve, recommend or enter into any agreement, understanding or arrangement in respect of a Superior Proposal, provided that UL has complied with its obligations under the Implementation Agreement, which may include the payment of any Inducement Fee; or
 - UPC has breached any of its obligations in respect of its covenants.

INDUCEMENT FEE

UL has agreed that, if any of the following termination events occur, UL will pay UPC the Inducement Fee:

- prior to obtaining the approval of the UL Resolutions, the board of directors of UL fails to recommend, or withdraws or modifies or changes, in a manner adverse to UPC, its approval or recommendation of the Scheme or the UL Resolutions; or

- UL has breached any of its obligations in respect of covenants relating to non-solicitation and Superior Proposals.

SHAREHOLDER SUPPORT FROM UL SHAREHOLDERS

QVT Financial LP (“QVT”), on behalf of QVT Fund LP (the largest UL Shareholder) and Quintessence Fund L.P., has irrevocably undertaken to vote in favour of the Scheme at the Meetings (or, in the event that the Transaction is implemented by way of an offer under the UK Takeover Code, to accept or procure acceptance of such offer) in respect of 11,837,535 UL Shares in aggregate, representing approximately 28.7% of UL’s issued ordinary share capital and 28.7% of the issued UL Shares entitled to vote at the Court Meeting.

In the aggregate, therefore, UPC has received irrevocable undertakings to vote in favour of the Scheme, in respect of 11,859,630 UL Shares, representing approximately 28.8% of UL’s existing issued ordinary share capital and 28.8% of the issued UL Shares entitled to vote at the Court Meeting. The irrevocable undertaking of QVT ceases to be binding, *inter alia*, if (i) the Transaction lapses or is withdrawn, or (ii) if a third party, not acting in concert with QVT announces a firm intention to make an offer for UL on terms which represent in the reasonable opinion of UPC’s financial advisor an improvement of 10% or more on the value of UPC’s offer and UPC does not improve its offer to be at least as favourable, in the reasonable opinion of UPC’s financial advisor, as the value of such third party offer or (iii) if the directors of UL withdraw, qualify or adversely modify their unanimous unqualified recommendation to UL Shareholders to vote in favour of the Scheme.

INFORMATION CONCERNING UL

CORPORATE STRUCTURE

UL was incorporated by articles of incorporation pursuant to the Companies Law on June 28, 2006 and became a publicly listed company on the AIM on July 21, 2006 and listed its ordinary shares on the TSX on December 30, 2008. The registered and head office of UL is located at Anson Court, La Route des Camps, St. Martin, Guernsey GY1 3UQ. UL has no employees. Nufcor Capital Limited (the “**Former Manager**”) provided the services of officers to UL. Since the termination on June 25, 2009 of an Amended and Restated Advisory Services Agreement dated August 15, 2007 (the “**Advisory Agreement**”), the board of directors of UL have managed the day to day operations of UL.

UL is currently taxed in Guernsey at a rate of zero percent under the current tax system.

DESCRIPTION OF THE BUSINESS

History

UL was established in July 2006 and is a non-cellular investment company limited by shares registered in the Island of Guernsey 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**”).

UL’s board of directors manages the investment activities of UL. UL was admitted to AIM in July 2006. In December 2008, UL listed its shares on the TSX. Since admission to AIM to the end of the 2009 fiscal year, UL has completed equity issuances with aggregate gross proceeds of US\$189 million. The net proceeds from the financings were used to fund the purchase of uranium and for general corporate purposes.

The investment objective of UL is to achieve long-term capital appreciation by buying and holding uranium assets in duly licensed facilities, which are located in Canada, France, the United States, South Africa, Germany, the Netherlands and the United Kingdom. The strategy of UL is to hold uranium for the long term and not to actively speculate with regard to short-term changes in the price of uranium. UL has adopted the following investment guidelines:

- At least 90% of any net proceeds receivable by UL must be invested in, or held for future acquisitions of, uranium with the balance retained to meet some of its operating expenses;
- UL holds, but does not actively trade or speculate in, uranium, but it may acquire further uranium from time to time, or may sell some of the uranium which it holds if its board of directors considers that it would be appropriate to do so at the relevant time; and
- UL seeks to lend a proportion of the uranium which it owns and to use the proceeds to meet some of its operating expenses. Such loans will be made to third parties after consideration of credit worthiness, credit concentration issues and the provision of appropriate security and other risk mitigation measures.

UL invests substantially all of its assets in uranium, either in the form of U₃O₈ or UF₆.

UL reported a NAV and adjusted NAV as at December 31, 2009 of £78,635,235 (US\$127,555,787) or £1.91 per share (US\$3.09 per share). The diluted NAV and adjusted diluted NAV as at December 31, 2009 was also £1.91 per share (US\$3.09 per share). For the period ended June 30, 2009 UL reported an operating profit of US\$485,246 (period to June 30, 2008: a loss of US\$1.7 million) and a net loss of US\$26.3 million (period to June 30, 2008: a loss of US\$217.0 million).

Description of Share Capital

The authorized capital of UL is US\$850,000 divided into 85,000,000 ordinary shares of US\$0.01 each of which 41,250,000 are issued and outstanding.

UL has issued options to acquire up to 2,475,000 ordinary shares. The options are priced at £2.05 and expire on July 21, 2011.

Stock Exchange Listing and Information

The UL Shares are listed for trading on AIM and the TSX under the ticker/trading symbol "UML". The closing price of the UL Shares on AIM on January 8, 2010, the last trading day prior to the public announcement of the Transaction was £1.60 per UL Share.

The following table sets out the range of closing prices and trading volumes of the UL Shares on AIM for the periods indicated.

<u>Year</u>	<u>High</u> (£)	<u>Low</u> (£)	<u>Volume</u> (no. of shares)
2010			
February 1 – February 8	£1.73	£1.71	88,553
January	£1.91	£1.58	669,630
2009			
December	£1.63	£1.49	442,790
November	£1.72	£1.57	569,900
October	£1.73	£1.65	2,100,400
September	£1.81	£1.59	177,830
August	£1.85	£1.68	95,380
July	£1.89	£1.78	302,690

<u>Year</u>	<u>High</u> (£)	<u>Low</u> (£)	<u>Volume</u> (no. of shares)
June	£1.83	£1.65	948,840
May	£1.88	£1.73	707,520
April	£1.83	£1.43	1,614,860
March	£1.46	£1.34	1,615,220
February	£1.53	£1.40	610,750
January	£1.60	£1.37	1,114,980
2008			
December	£1.49	£1.12	879,530
November	£1.27	£0.94	3,340,570
October	£1.32	£0.75	2,534,130
September	£2.23	£1.44	1,282,790
August	£2.21	£1.98	374,880
July	£2.29	£2.02	1,317,200
June	£2.40	£2.08	1,569,000
May	£2.42	£2.02	1,519,970
April	£2.46	£2.05	1,213,670
March	£2.95	£2.23	1,536,450
February	£2.85	£2.40	9,668,950
January	£1.49	£1.12	879,530

The closing price of the UL Shares on the TSX on December 22, 2009, the last trading day prior to the public announcement of the Transaction on which any UL Shares traded on the TSX, was \$3.00 per UL Share.

The following table sets out the range of closing prices and trading volumes of the UL Shares on the TSX for the periods indicated. The UL Shares were listed on the TSX on December 30, 2008 and first traded on January 6, 2009.

<u>Year</u>	<u>High</u> (\$)	<u>Low</u> (\$)	<u>Volume</u> (no. of shares)
2010			
February 1 – February 8	\$2.91	\$2.91	2,000
January	\$3.40	\$2.86	12,300
2009			
December	\$3.12	\$3.00	30,200
November	\$3.14	\$3.00	8,600
October	\$3.20	\$2.78	24,900
September	\$3.10	\$3.00	1,100
August	\$3.02	\$3.02	1,000
July	\$3.79	\$3.00	1,600
June	\$3.40	\$2.72	55,900
May	\$3.60	\$3.11	41,500
April	\$3.25	\$2.52	122,870
March	\$2.65	\$2.25	80,000
February	\$2.75	\$2.00	30,600
January	\$2.85	\$2.47	282,170

PRINCIPAL SHAREHOLDERS

QVT owns 11,837,535 UL Shares in aggregate, representing approximately 28.7% of UL's issued ordinary share capital.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Information Circular 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 Mercator Trust Company Limited, the Corporate Secretary of UL at Anson Court, La Route des Camps, St. Martin, Guernsey (telephone +44 (0) 1481 234200). These documents are also available electronically through the Internet under UL's profile on the SEDAR website, which can be accessed online at www.sedar.com.

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

- (a) the annual information form of UL dated September 30, 2009 for the financial year ended June 30, 2009;
- (b) the audited consolidated financial statements of UL as at and for the financial year ended June 30, 2009 and the restated audited consolidated financial statement of UL as at and for the financial year ended June 30, 2008, together with the auditors' report thereon and the notes thereto;
- (c) UL's annual management report of fund performance filed on SEDAR on October 5, 2009 for the financial year ended June 30, 2009;
- (d) the management information circular of UL dated as of August 18, 2009 prepared in connection with the annual meeting of UL shareholders held on September 17, 2009; and
- (e) the material change report dated January 15, 2010 relating to the announcement of the proposed Transaction.

Any document of the type referred to above filed by UL with the securities commissions or similar regulatory authorities in Canada after the date of this Information Circular shall be deemed to be incorporated by reference into this Information Circular.

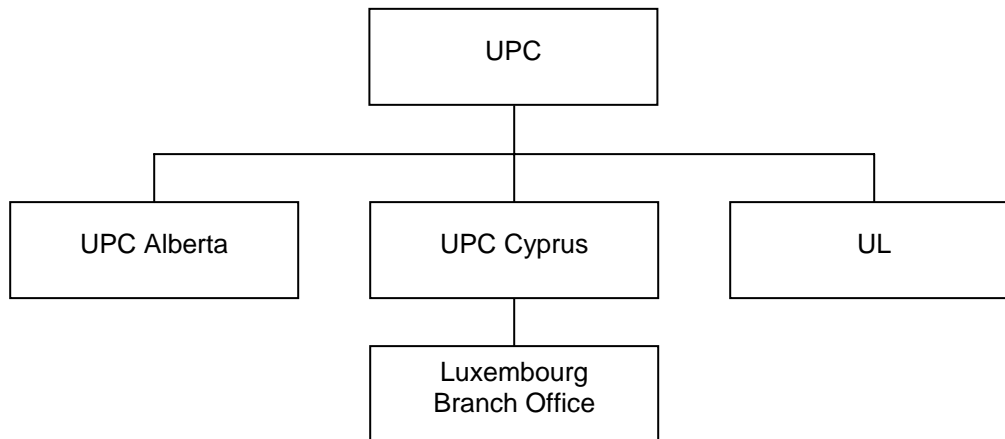
Any statement contained in this Information Circular or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Information Circular, to the extent that a statement contained herein or in any other subsequently 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 Information Circular, 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.

LEGAL MATTERS

Certain legal matters relating to the Transaction will be reviewed on behalf of UPC by Heenan Blaikie LLP, Dewey & LeBoeuf LLP and Carey Olsen. As of the date hereof, the partners and associates of Heenan Blaikie LLP, as a group, Dewey & LeBoeuf LLP, as a group, and Carey Olsen, as a group, beneficially owned, directly or indirectly, less than 1% of the issued and outstanding UPC Shares.

UPC FOLLOWING THE TRANSACTION

Following the completion of the Transaction, the corporate structure of UPC will be as follows:



Upon completion of the Transaction, UL will be a wholly-owned Subsidiary of UPC.

Following completion of the Transaction, Kelvin Williams, the Non-Executive Chairman of UL, will join the UPC Board.

Upon completion of the Transaction, the combined holdings of uranium material by UPC will consist of 7,250,000 pounds U₃O₈ and 2,374,230 kgU as UF₆.

Denison Mines Inc., the Manager of UPC, will be appointed the Manager of UL.

SHAREHOLDERS OF UPC FOLLOWING THE TRANSACTION

In connection with the completion of the Scheme, UPC will issue approximately 20,625,000 New UPC Shares to UL Shareholders, and will reserve for issuance up to 1,237,500 New UPC Shares in connection with the outstanding UL Options. Assuming that UPC issues no additional UPC Shares after the date of this Information Circular, upon completion of the Transaction there will be approximately 106,322,341 UPC Shares outstanding (excluding New UPC Shares that may be issued pursuant to outstanding UL Options).

Based on insider reports in respect of UL and UPC filed to date, and assuming no sale by such persons of UL Shares or UPC Shares prior to completion of the Transaction, upon completion of the Transaction no person will own, or control or direct, directly or indirectly more than 10% of the outstanding UPC Shares, except for Wellington, which will hold approximately 13.3% of the outstanding UPC Shares.

DIRECTORS OF UPC FOLLOWING THE TRANSACTION

The UPC Board following the Effective Date will be as follows and will continue to be comprised of the current members of the UPC Board, and Mr. Kelvin Williams, the Non-Executive Chairman of UL.

Name and Place of Residence	Principal Occupation	Date Served as a Director Since
Paul J. Bennett ⁽¹⁾⁽²⁾⁽³⁾ Alberta, Canada	President and Chief Executive Officer of Energus Resources Ltd., an Alberta based oil and gas company and President and Chief Executive Officer of Rodinia Oil Corp.	June 2005

Name and Place of Residence	Principal Occupation	Date Served as a Director Since
Jeff Kennedy ⁽²⁾ Ontario, Canada	Chief Financial Officer and Director, Equity Capital Markets and a director of Cormark Securities Inc. ("Cormark") and its wholly-owned subsidiary, Cormark Securities (U.S.A.) Limited. Cormark is an independent investment dealer	March 2005
Garth MacRae ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ Ontario, Canada	Independent Financial Consultant	April 2005
Richard H. McCoy ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾ Ontario, Canada	Retired; Formerly Vice-Chairman Investment Banking, TD Securities Inc.	March 2005
Kelvin Williams Cape Town, Western Cape, South Africa	Non-Executive Chairman of Uranium Limited	April 2010

Notes:

- (1) Member of the Audit Committee
- (2) Member of the Corporate Governance and Nominating Committee
- (3) Member of the Independent Review Committee
- (4) Chair of the Audit Committee
- (5) Chairman of the Board

INTEREST OF CERTAIN PERSONS IN MATERIAL TRANSACTIONS AND MATTERS TO BE ACTED UPON

Except as otherwise disclosed in this Information Circular, no director or executive officer of UPC, nor any associate or affiliate of the foregoing persons has material interest, director of indirect, by way of beneficial ownership of securities or otherwise: (a) in matters to be acted upon at the Meeting; or (b) in any transaction during the three years before the date of this Information Circular or in a proposed transaction which has materially affected or would materially affect UPC. Under the Management Services Agreement, the Manager is entitled to a fee of \$1 million on completion of the Transaction.

RECENT DEVELOPMENTS

Subsequent to the execution of the Implementation Agreement, UPC agreed to purchase from UL 20,000 pounds of U₃O₈ for delivery on February 17, 2010 at a price to be determined by the latest U₃O₈ spot price published by the Ux Consulting Company prior to the delivery date.

APPROVAL

The contents and the sending of the Notice of Meeting and this Information Circular have been approved by the UPC Board.

URANIUM PARTICIPATION CORPORATION

(signed) *Ron F. Hochstein*

By: Ron F. Hochstein
President

**APPENDIX A
UPC RESOLUTIONS**

BE AND IT IS HEREBY RESOLVED THAT

1. the Corporation be and is hereby authorized to issue 0.50 common share in the capital of the Corporation to holders of the issued ordinary shares in the capital of Uranium Limited (the "UL Shares") for each UL Share pursuant to a scheme of arrangement between UL and its shareholders under The Companies Law (2008) Guernsey, as amended under the terms of the implementation agreement dated January 10, 2010 between the Corporation and Uranium Limited (the "Implementation Agreement");
2. the entering into, execution and delivery of the Implementation Agreement by any one officer or director of the Corporation be and is hereby ratified and confirmed;
3. any one officer or director of the Corporation be and is hereby authorized and directed to, for and on behalf of and in the name of the Corporation, to do and perform all such acts and things and to execute, deliver and file all such applications, documents or other instruments in writing, whether under the seal of the Corporation or otherwise, as may be necessary or advisable in order to give full effect to the foregoing resolutions.