

**Uranium
Participation
Corporation**



ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED FEBRUARY 28, 2021

Dated May 3, 2021

TABLE OF CONTENTS

	Page
Non-IFRS Financial Performance Measures	1
Caution Regarding Forward-Looking Information	1
About Uranium Participation Corporation	2
Business of UPC	6
Risk Factors	18
Capital Structure and Dividends.....	24
Market for Securities	24
Governance of the Corporation.....	25
Conflicts of Interest	30
Interest of Management and Others in Material Transactions.....	31
Legal Proceedings	31
Material Contracts	31
Registrar and Transfer Agent.....	31
Names and Interests of Experts.....	31
Additional Information	32
Schedule A: Audit Committee Mandate	i

In this AIF, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars. The daily foreign exchange rate for Canadian/U.S. dollars as published by the Bank of Canada on February 26, 2021, the last business day prior to fiscal year end, was Cdn\$1.2685 = U.S.\$1.00.

Except as otherwise indicated, the information contained in this AIF is stated as at February 28, 2021.

NON-IFRS FINANCIAL PERFORMANCE MEASURES

This Annual Information Form (“**AIF**”) contains references to “**Net Asset Value**” or “**NAV**”, which is a non-IFRS financial performance measure. The NAV is calculated as the value of total assets less the value of total liabilities. To arrive at NAV per share, the NAV is then divided by the total number of common shares outstanding as at a specific date. The term NAV does not have any standardized meaning according to IFRS and therefore may not be comparable to similar measures presented by other companies. The NAV equals Uranium Participation Corporation’s (“**UPC**” or the “**Corporation**”) total equity balance as reported in the Corporation’s consolidated financial statements. NAV per share does not have a comparable IFRS financial measure presented in UPC’s consolidated financial statements and thus there is no applicable quantitative reconciliation for this non-IFRS financial performance measure. The Corporation has calculated NAV and NAV per share consistently for many years and believes these measures provide information useful to its shareholders in understanding UPC’s performance and may assist in the evaluation of the Corporation’s business relative to that of its peers.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This AIF contains certain forward-looking statements and forward-looking information based on the current internal expectations, estimates, projections, assumptions and beliefs of management of UPC, which may include, but is not limited to, statements with respect to: the future financial or operating performances of the Corporation and its subsidiaries; activities and intentions for the Corporation’s investments in uranium and its uranium holdings; the future price of uranium; the availability of and terms relating to future financing options; the impact of changing tax rates; anticipated storage facilities for the Corporation’s uranium; global uranium supply (primary and secondary) and demand; and government regulation of uranium operations (including

production, handling and storage of uranium). Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “plan”, “should”, “believe” or “continue” or the negative thereof or variations thereon or similar terminology.

By their very nature, forward-looking statements involve numerous factors, assumptions and estimates. A variety of factors, many of which are beyond the control of UPC, may cause actual results to differ materially from the expectations expressed in the forward-looking statement. These factors include, but are not limited to, risks related to: changes in commodity prices and foreign exchange rates, uranium price volatility from demand and supply factors and the lack of a public market for uranium; unanticipated changes in global and industry market conditions (such as the far-reaching social and economic impacts of the COVID-19 pandemic); risks associated with the Facilities (as defined herein); the uranium industry being subject to influential political regulatory factors; the lack of operational liquidity for the Corporation; and the Corporation’s reliance on its Board and the Manager (each as defined herein). See “Risk Factors” for a further description of the principal risks to UPC.

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

ABOUT URANIUM PARTICIPATION CORPORATION

UPC was incorporated pursuant to the *Business Corporations Act* (Ontario) on March 15, 2005 and became a publicly listed company on the Toronto Stock Exchange (the “**TSX**”) on May 10, 2005 under the symbol “U”. The registered and head office of UPC is located at 1100 - 40 University Avenue, Toronto, Ontario, M5J 1T1.

UPC invests in physical holdings of uranium, with the primary objective of achieving appreciation in the value of its uranium holdings. The Corporation also earns income from lending or relocating portions of its uranium holdings to third parties from time to time. Unless the context requires otherwise, references to “**uranium**” means uranium oxide in concentrates (“**U₃O₈**”) and uranium hexafluoride (“**UF₆**”).

Since incorporation to the end of the 2021 fiscal year, the Corporation has completed 12 public offerings with aggregate gross proceeds of \$788.2 million. The Corporation received a further \$31.2 million from the exercise of warrants issued under the public offerings and approximately \$8.0 million from the exercise of options assumed by UPC. See “Business of UPC – Operations”. The net proceeds from the offerings, the exercise of warrants, and the options were used to fund (or have been set aside to fund in the future) the purchase of uranium, the repurchase of shares pursuant to a normal course issuer bid and general corporate purposes.

The Corporation’s uranium is held directly by UPC or indirectly through UPC’s wholly-owned subsidiaries, Uranium Participation Bermuda Limited (“**UPBL**”) and Uranium Participation Bermuda 2 Limited (“**UPB2L**”). Unless otherwise indicated or where the context otherwise requires, references herein to UPC or the Corporation include UPBL and UPB2L. UPBL was formed effective March 11, 2016 pursuant to a certificate of continuance issued by the Bermuda Register of Companies on the migration of the Corporation’s subsidiary Uranium Participation Cyprus Limited (“**UPCL**”) from Cyprus to Bermuda. UPCL was incorporated under the laws of the Republic of Cyprus on September 10, 2006. UPB2L was formed pursuant to a certificate of incorporation issued by the Bermuda Register of Companies effective October 3, 2018.

Since formation, UPC has appointed Denison Mines Inc. (the “**Manager**”), a wholly owned subsidiary of Denison Mines Corp. (“**DMC**”), to manage UPC pursuant to a management services agreement. The Manager provides three officers to the Corporation: the President and Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary. See “Business of UPC – Management of UPC”.

Developments over the Last Three Years

Fiscal 2019

Effective May 11, 2018, the Board of Directors of the Corporation (the “**Board**”) approved and adopted with immediate effect, the Amended and Restated By-law No. 1 of the Corporation, to replace all previous by-laws of the Corporation, subject to ratification and approval of the Corporation’s shareholders. Shareholders of the Corporation ratified and confirmed the Amended & Restated By-law No. 1 at the Annual General and Special Meeting of Shareholders held on June 28, 2018. See “Business of UPC – Investment Policies”.

In May 2018, the Corporation completed a bought-deal equity offering (the “**2018 Offering**”) of 5,612,000 common shares, at a price of \$4.10 per share, which included the full exercise of the over-allotment option granted to the underwriters, for aggregate gross proceeds of \$23,009,200. The 2018 Offering was completed pursuant to a prospectus supplement, dated May 24, 2018, to a short form base shelf prospectus dated December 9, 2016. The 2018 Offering was underwritten by a syndicate of underwriters co-led by Cormark Securities Inc. and Cantor Fitzgerald Canada Corporation, as co-bookrunners, and included TD Securities Inc. and BMO Nesbitt Burns Inc. The Corporation used a portion of the net proceeds from the 2018 Offering to purchase a total of 675,000 pounds of U₃O₈ at an average price of US\$22.76 (CAD\$29.84), with the remainder to be used for general corporate purposes.

In September 2018, Mr. Tim Gabruch was appointed Chief Commercial Officer of the Corporation, assuming responsibility for UPC’s commercial activities.

Also in September 2018, the Corporation withdrew its claims against the counterparty to the July 2016 Relocation Agreement, which counterparty had filed for Chapter 11 bankruptcy protection in the United States of America in 2017. The counterparty completed a court approved reorganization and sale of the counterparty’s assets in 2018, and the Relocation Agreement was assumed by the counterparty, thus no longer necessitating a claim by the Corporation. Pursuant to the Relocation Agreement, the Corporation transferred a total of 700,000 KgU as UF₆ to an alternate storage facility in three separate tranches in 2016 and 2017, in exchange for a fee payable to the Corporation of US\$1.00 per KgU for the initial 12 months of each transfer and US\$0.50 per KgU for each subsequent year after the end of the initial 12 month period. The return of the relocated 700,000 KgU as UF₆ was completed by end of May 2020, including the early return of 100,000 KgU as UF₆ in January 2020, which was done in order to facilitate the first tranche of the October 2019 sale of conversion components (see below).

On December 21, 2018, the Corporation filed a short form base shelf prospectus (“**2018 Prospectus**”) with the securities regulatory authorities in each of the provinces of Canada, other than Québec. The 2018 Prospectus qualified the issuance of common shares or warrants or any combination of such securities as units, in amounts, at prices and on terms to be determined based on market conditions at the time of sale and as set forth in the 2018 Prospectus, for an aggregate offering amount of up to \$200,000,000, during the 25 month period beginning December 24, 2018, the date of the receipt of the 2018 Prospectus by the Ontario Securities Commission. The Corporation did not file a supplement or issue securities under the 2018 Prospectus.

As at February 28, 2019, the Corporation’s total holdings of uranium material consisted of 14,159,354 pounds of U₃O₈ and 1,117,230 KgU as UF₆.

The NAV per share at February 28, 2019 was \$4.75 based on the spot price for U₃O₈ of US\$28.00 per pound, the UF₆ spot price of US\$87.00 per KgU and the Canadian/U.S. dollar foreign exchange rate of \$1.3169.

Fiscal 2020

Effective April 1, 2019, the Corporation and the Manager executed a new management services agreement (the “**2019 MSA**”) with a five-year term ending March 31, 2024. For more information, see “Business of UPC – Management of UPC”.

In August 2019, the Corporation entered into an agreement with a primary UF₆ conversion supplier to sell the conversion components contained in 417,230 KgU as UF₆. This transaction resulted in the exchange of 417,230

KgU as UF₆ for 1,090,162 pounds of U₃O₈ as well as cash consideration of \$5,489,000 (US\$4,151,000) and beneficial storage and other arrangements.

In October 2019, the Corporation entered into a contract to purchase a total of 230,000 pounds of U₃O₈ at an average price of US\$26.04. The transaction consisted of three tranches of 100,000 pounds of U₃O₈, 76,300 pounds of U₃O₈, and 53,700 pounds of U₃O₈, for delivery in October 2019, January 2020 and June 2020, respectively, which have each been completed.

Also in October 2019, the Corporation entered into commitments to sell the conversion components contained in 300,000 KgU as UF₆. This transaction resulted in the exchange of 300,000 KgU as UF₆ for 783,856 pounds of U₃O₈ and cash consideration of US\$6,087,000. The transaction consisted of three equal tranches of 100,000 KgU as UF₆ for delivery in January 2020, June 2020 and July 2020, which have been completed.

As at February 29, 2020, the Corporation's total holdings of uranium material consisted of 15,687,101 pounds of U₃O₈ and 600,000 KgU as UF₆.

The NAV per share at February 29, 2020 was \$4.32 based on the spot price for U₃O₈ of US\$24.70 per pound, the UF₆ spot price of US\$85.95 per KgU and the Canadian/U.S. dollar foreign exchange rate of \$1.3429.

Fiscal 2021

In April 2020, the Corporation filed a notice of a Normal Course Issuer Bid ('**2020 NCIB**') with the TSX, authorizing the Corporation to purchase up to 12,301,750 common shares of the Corporation during the 12-month period which ended April 15, 2021. As at February 28, 2021, a total of 3,121,062 shares had been purchased under the 2020 NCIB at an average cost of \$4.72 per share for a total cash outflow of \$14,734,000, which includes brokers' commissions of \$31,000.

In May 2020, the Corporation entered into an agreement to loan 500,000 pounds of U₃O₈ to an independent third party, with a return date at the beginning of September 2020. The loan was subject to a loan fee of US\$100,000 per month and was collateralized with 164,000 pounds of U₃O₈ and 105,971 KgU as UF₆. The loan was completed, with the U₃O₈ returned to the Corporation and the collateral returned to the third party.

In June 2020, UPC entered into a uranium relocation agreement with an independent third party whereby the Corporation delivered 200,000 pounds of U₃O₈ to the counterparty at a storage facility and received 220,000 pounds of U₃O₈ at an alternate storage facility in exchange. The relocation occurred on June 30, 2020.

In February 2021, Mr. Tim Gabruch left his role of Chief Commercial Officer of the Corporation to pursue other opportunities.

During fiscal 2021, the Corporation sold 275,000 pounds of U₃O₈, in six separate transactions, at a weighted average purchase price of US\$32.29, for estimated gross proceeds of \$12,181,000, and the conversion component contained in 100,000 KgU as UF₆ for 261,285 pounds of U₃O₈ and cash consideration of CAD\$2,727,000, the majority of the funds of which were used to finance share repurchases under the 2020 NCIB.

As at February 28, 2021, the Corporation's total holdings of uranium material consisted of 16,269,658 pounds of U₃O₈ and 300,000 KgU as UF₆.

The NAV per share at February 28, 2021 was \$4.61 based on the spot price for U₃O₈ of US\$28.20 per pound, the UF₆ spot price of US\$94.00 per KgU and the Canadian/U.S. dollar foreign exchange rate of \$1.2685.

Recent Developments

In April 2021, the Corporation announced that it has entered into an arrangement agreement (the “Arrangement Agreement”) with Sprott Asset Management LP (“SAM”), a wholly owned subsidiary of Sprott Inc., pursuant to which UPC shareholders will become unitholders of the Sprott Physical Uranium Trust (the “Trust”), a newly formed entity to be managed by SAM (the “Proposed Transaction”). Elements of the Proposed Transaction considered by the Board include:

- Modernized business structure with lower corporate operating costs – The trust structure offers lower annual costs than the corporate structure, and aligns UPC’s business with the world’s leading physical commodity investment vehicles.
- Sprott Physical Uranium Trust to seek a US listing – UPC previously evaluated the potential for a US listing and determined that it would not meet listing requirements under its current corporate form. As a trust, the prospect of obtaining a US listing on the NYSE Arca or similar exchange, is significantly improved. Sprott Asset Management has a very good track record of listing physical commodity investment vehicles in the US and has committed to fund up to CAD\$1.5 million in costs associated with seeking a US listing. A listing in the US is expected to increase the profile of the Trust with US and international investors, potentially resulting in an increase both in trading liquidity and in access to capital, which could be used to support future uranium purchases.
- Access to Sprott’s Robust Sales & Marketing Capabilities – Sprott is a global brand with a highly successful fund marketing platform and extensive client base providing access to more than 200,000 investors. Leveraging this platform is expected to grow UPC’s shareholder base and increase liquidity.
- UPC to receive a cash contribution of ~CAD\$6.7 million – On closing of the Transaction, Sprott Asset Management will make a cash contribution equal to 1% of UPC’s net asset value as of March 31, 2021, the proceeds of which may be used by the Trust to purchase additional uranium holdings.
- Sprott Asset Management to fund UPC’s transaction costs – As part of the Transaction, Sprott Asset Management will reimburse UPC for up to CAD\$1.0 million in direct transaction costs and to fund approximately CAD\$5.3 million in related management termination fees (see below).

The Proposed Transaction will require shareholder approval from 66 2/3% of the votes cast by the holders of UPC’s common shares present in person or by proxy at a shareholder meeting to be held to consider the Proposed Transaction. The Proposed Transaction is also subject to the receipt of certain regulatory, court, and stock exchange approvals and certain other closing conditions customary in transactions of this nature. Effective upon closing of the Proposed Transaction, and the commencement of management of the Trust by SAM, the 2019 MSA with the Manager will be terminated. The parties have agreed in the Arrangement Agreement that SAM will fund the termination payment due from UPC to Denison, calculated in accordance with the termination provisions of the 2019 MSA.

BUSINESS OF UPC

Investment Objective and Strategy

UPC's primary purpose is to invest in uranium, either directly or through its wholly-owned subsidiaries, UPBL and UPB2L, such that the common shares of the Corporation represent an indirect interest in physical uranium. As with any company, an investment in the common shares of the Corporation provides investors with exposure to increases (or decreases) in the value of the Corporation's underlying assets. In the case of UPC, the value of the Corporation's underlying assets is largely derived from its holdings of physical uranium. As a result, investors in UPC indirectly invest in physical uranium, without being exposed to the risks associated with investments in companies that engage in the exploration, mining and processing of uranium.

Accordingly, the strategy of UPC is to invest in holdings of uranium and not to actively speculate on changes in uranium prices by entering into exchange and/or investment contracts or derivative arrangements. The intent is for UPC to provide investors with a vehicle that is levered directly to the uranium price, leaving it to investors to speculate by way of their own investment decisions as to the future changes in the uranium price. With this intent in mind, the Corporation's primary objective is to provide investors with the maximum exposure to its underlying uranium investments, at any given time, as is reasonable given the Corporation's current and expected future financial position.

The Corporation uses the measure of Net Asset Value per share to assess all material business decisions. The NAV is calculated as the value of total assets less the value of total liabilities. To arrive at NAV per share, the NAV is then divided by the total number of common shares outstanding as at a specific date. NAV will typically equate to the value of the Corporation's physical uranium, plus its net working capital. Accordingly, NAV per share can notionally be divided into the portion of the Corporation's working capital and holdings of uranium attributable to each share.

As of February 28, 2021, the Corporation held investments in U_3O_8 and UF_6 with an estimated fair value of \$617,765,000 and net working capital and other assets of \$4,964,000 for a combined NAV of \$622,729,000. Based on the UxC reported spot price per pound of U_3O_8 of \$35.77 (US\$28.20) for the February 2021 month-end, the Corporation's holdings of uranium equate to approximately 17,270,000 pounds equivalent of U_3O_8 . As at February 28, 2021, the Corporation had 134,939,651 issued and outstanding common shares – meaning that each share represents an indirect ownership in approximately 0.1280 pounds U_3O_8 equivalent, providing leverage to the commodity price and representing \$4.58 in NAV per share. A further \$0.03 in NAV per share is attributable to each share's indirect ownership in the Corporation's net working capital and other assets. Taken together, the NAV per share is estimated to be \$4.61 at February 28, 2021.

In line with the Corporation's primary objective, as outlined above, the Board's general approach to managing the Corporation's business activities is based on the measures of NAV per share and the attributable equivalent pounds of U_3O_8 per share. The Corporation considers a transaction to be accretive when it increases the NAV per share.

While the underlying value of the Corporation's common shares, or NAV per share, is inherently linked to the estimated fair market value of the Corporation's holdings of uranium and net working capital, the common shares of the Corporation will often trade on the TSX at a value that is either at a premium or discount to the estimated NAV per share. Management believes the premium or discount of the share price to the estimated NAV per share, at times, may reasonably be indicative of the market's sentiment regarding the future price of uranium.

The Corporation may have opportunities to manage its business activities, on an accretive basis, via transactions such as those summarized in the following table.

<i>Situation</i>	<i>UPC's General Bias for Accretive Transactions</i>	<i>Capital Market Opportunities available to UPC</i>
Common shares trading at a premium to NAV per share	The Corporation's bias is to issue new common shares at a price that is higher than the estimated NAV per share, to fund the purchase of additional uranium at the lower market price and/or funding operating expenditures that would otherwise be funded from existing working capital. The intended result of the foregoing is to increase the attributable holdings of uranium and/or working capital per share, and ultimately increase NAV per share for existing shareholders.	<p>An equity financing, by way of a prospectus supplement to a short form prospectus, private placement, or similar transaction ("Equity Offering"), can be useful to fund the purchase of significant additional holdings of uranium. Relatively high transaction costs and the availability of significant quantities of uranium in the market (at or near the market price) have a significant bearing on the accretion that can be expected from a financing of this nature. A portion of the proceeds from an Equity Offering may also be retained to fund future operating expenditures.</p> <p>An equity financing by way of an at-the-market offering ("ATM Offering") can be useful for raising capital in amounts that are typically smaller in size than those under an Equity Offering, and often attract a lower level of transaction costs. The periodic use of an ATM Offering to raise capital at a premium is a viable option to satisfy the Corporation's need for a regular stream of working capital to fund operating expenditures. Proceeds from an ATM Offering may also be used to purchase smaller amounts of additional uranium on an accretive basis.</p>
Common shares trading at a discount to NAV per share	The Corporation's bias is to sell its uranium at the market price and/or use its working capital on hand to fund the repurchase of common shares and/or fund operating expenditures. The intended result of the foregoing is to increase the attributable holdings of uranium and/or working capital per share, and ultimately increase NAV per share for existing shareholders.	<p>The sale of uranium at the market price implied in the NAV per share can be an accretive source of working capital in order to fund operating expenditures when the Corporation's shares trade at a discount.</p> <p>The use of working capital on hand, or the sale of uranium at the market price implied in the NAV per share can also be an accretive means to fund the repurchase of common shares in accordance with a Normal Course Issuer Bid ("NCIB") – which is intended to result in a reduction in the number of outstanding common shares and an increase the NAV per remaining share.</p>

While the table above provides a general summary and illustration of transactions that could be considered accretive to the Corporation, readers are cautioned that it presents a simplified version of the analysis undertaken by the Board and management. The analysis required to assess whether a given business opportunity is accretive can be complex and requires the consideration of many specific factors – including, but not limited to, transaction costs, execution risk, risk of concentration of inventory, storage availability, market factors and tax or other commercial implications.

Investment Policies

The Corporation's by-laws contain investment policies and objectives for the Corporation, guiding the Board and management in its direction of the Corporation's business. Copies of the Corporation's governing documents, including the Amended and Restated By-Law No. 1 are available on the Corporation's website.

The Corporation's by-laws provide that:

- (a) the Corporation's objective is to use at least 85% of Aggregate Gross Proceeds for Uranium Purchases (as such capitalized terms are defined in the by-laws).

Generally, this means that the Corporation intends to use at least 85% of the aggregate gross proceeds from private or public issuances of securities of the Corporation (other than an issuance in connection with certain exclusions, including conversion of convertible securities and ATM Offerings, where unpredictable or incidental proceeds may be received by the Corporation) towards the aggregate cost of all of the Corporation's purchases of uranium or to hold as cash or other short term investments to fund the future purchases of uranium. This mandate applies to the Corporation's cumulative aggregate gross proceeds since incorporation, and is not applied on an offering by offering basis – providing the Corporation with some flexibility as to how to best deploy its capital markets strategy.

- (b) The investment policies in the by-laws provide that UPC may not enter into any borrowing arrangements to borrow monies except in strictly limited circumstances to facilitate uranium purchases. Under such circumstances, UPC may enter into arrangements to borrow monies provided that all outstanding amounts do not exceed 15% of UPC's total net assets.

Offerings, Acquisitions and Investments

As at February 28, 2021, since incorporation, the Corporation has raised gross proceeds of \$788.2 million in 12 equity financings and has spent approximately \$28.0 million (funded by equity offerings or uranium sales) to purchase its shares under its normal course issuer bids.

As defined in, and calculated in accordance with the Amended By-Law, as at February 28, 2021, the Aggregate Gross Proceeds of Offerings is \$760.3 million and the historical aggregate cost of the Corporation's Uranium Purchases is \$731.1 million; with Uranium Purchases therefore representing approximately 96.1% of the Aggregate Gross Proceeds of Offerings.

Ownership of Uranium

All uranium owned by UPC is stored at licensed uranium conversion, enrichment, or fuel fabrication facilities (each one, a "**Facility**" or collectively, the "**Facilities**") owned by different organizations in Canada, France and the United States. The Manager, on behalf of UPC, negotiates storage arrangements with the Facilities. See "Business of UPC – Management of UPC". Globally, there are a limited number of licensed Facilities available to commercial nuclear fuel cycle participants. The Facilities utilized by UPC represent most of the viable sources of storage, and are also used by global nuclear energy utilities and commodity traders for their storage needs. Accordingly, the Corporation's risk in respect of ownership and storage of its uranium is considered largely similar to that of any participant in the nuclear energy industry. See "Risk Factors – Risks Associated with Facilities".

Calculation of NAV per share and Value of Securities

At the end of each month, the Manager is required by the 2019 MSA to calculate and publicly disclose the NAV per share. The NAV per share is determined by multiplying the quantity of uranium held by or on behalf of the Corporation by the last spot price for uranium for the month published by UxC, plus cash and any other assets held by the Corporation, less any outstanding payables, indebtedness and all other liabilities of the Corporation and dividing the result by the number of common shares outstanding. Any amounts in U.S. dollars are converted into Canadian dollars based on the daily exchange rate as published by the Bank of Canada as at the last business day of the month.

The NAV per share may not necessarily reflect the actual realizable value of uranium attributable to each common share of UPC. See "Non-IFRS Financial Performance Measures" above and "Risk Factors – Market Price and Liquidity of Common Shares" and "Risk Factors – Net Asset Value" below.

Management of UPC

General

UPC and its subsidiaries have no employees. Each of UPC and its subsidiaries have engaged the Manager to provide to them administrative and management services, which services include the provision of officers for the Corporation. The Boards of Directors of UPC and each subsidiary are responsible for the direction of the business, affairs and operations of their respective corporations, and are also responsible for exercising oversight of the Manager.

Management and Management Services Agreement

The Manager has acted as manager of the Corporation since the Corporation's inception in 2005. The Manager is currently engaged by the Corporation pursuant to the 2019 MSA for a five-year term ending March 31, 2024. The Manager is required to act in accordance with reasonable and prudent business practices and, with the approval of the Board and at its own cost, may delegate any of its duties or obligations under the 2019 MSA to a third party.

All purchases and sales of uranium of UPC are directed by the Board and are made by the Manager on behalf of UPC in accordance with the 2019 MSA. Title to the uranium remains with the Corporation. The Manager is obligated to use commercially reasonable efforts to purchase and sell the uranium at the best prices available to it over a prudent period of time. When the Board directs the Manager to purchase or sell uranium, the Manager may put out a tender for an offer to purchase or sell uranium or negotiate directly with potential suppliers or buyers (off-market transactions) for the purchase or sale of uranium. Typical purchasers or sellers of uranium include producers, traders, financial institutions and utilities that operate nuclear power facilities. All purchases and sales of uranium are completed by the Manager in accordance with standard industry practices for and on behalf of UPC and are approved by the Board.

There is no public commodity market through which these purchases and sales may occur and accordingly all such purchase and sale transactions are private. The pool of potential purchasers and sellers is limited and each transaction may require the negotiation of specific provisions. Accordingly, a purchase or sale pursuant to a tender or an off-market transaction may take several weeks to complete. Since all purchases are confidential, neither the Manager nor UPC is permitted to publicly disclose the identity of any vendor from whom UPC would potentially purchase uranium or any purchaser to whom UPC may sell uranium.

The Corporation may also source uranium through merger and acquisition transactions. Any potential transactions are referred to the Board by the Manager for consideration, direction and ultimate approval.

UPC is also permitted to enter into lending or relocation arrangements for its uranium. When the Board directs the Manager to lend uranium, the terms of the loan are reviewed, including the quantity, interest rate, duration, security and covenants, and must be approved by the Board prior to finalizing. Any lending or relocation arrangements for uranium will be completed by the Manager in accordance with standard industry practices for and on behalf of UPC.

The Manager is required to arrange, on behalf of the Corporation and its subsidiaries, for storage of the uranium at the Facilities and for insurance coverage. It is also responsible for the preparation of draft regulatory filing materials including financial statements, investor relations activities including responding to shareholder requests and to furnish office facilities to the Corporation.

In the event that the Board determines that it would be beneficial to purchase, sell or loan U_3O_8 or UF_6 from or to the Manager, or one of its affiliates, or any other related party (as such term is defined in Multilateral Instrument 61-101) of the Manager, then the specific terms of such purchases or sales for all amounts over \$1,000,000 in the aggregate must be approved by the Board. To date, three such transactions have occurred. In June 2007, the Corporation purchased 75,000 pounds of U_3O_8 from an affiliate of the Manager at a price of US\$130.00 per pound for total consideration of US\$9,750,000; in August 2008, the Corporation purchased 50,000 pounds of U_3O_8 from an affiliate of the Manager at a price of US\$64.50 per pound, for total consideration of US\$3,225,000; and in January 2011, the Corporation loaned 150,000 pounds of U_3O_8 to an affiliate of the Manager, which loan was subsequently repaid.

The Manager does not have any ownership interest in UPC, and the two companies do not have any directors in common.

Under the 2019 MSA, the Corporation pays the following management fees to the Manager: (a) a base fee of \$400,000 per annum, payable in equal quarterly installments; (b) a variable fee equal to (i) 0.3% per annum of the Corporation's total assets in excess of \$100,000,000 and up to and including \$500,000,000, and (ii) 0.2% per annum of the Corporation's total assets in excess of \$500,000,000; (c) a fee, at the discretion of the Board, for on-going monitoring or work associated with a transaction or arrangement (other than a financing, or the acquisition of or sale of U_3O_8 or UF_6); and (d) a commission of 1.0% of the gross value of any purchases or sales of U_3O_8 or UF_6 or gross interest fees payable to UPC in connection with any uranium loan arrangements.

For the fiscal years ended February 28, 2021 and February 29, 2020, UPC paid the Manager \$2,336,000 and \$2,293,000 in management fees, respectively. Of such amounts paid in the fiscal years ended February 28, 2021 and February 29, 2020, UPC paid the Manager \$239,000 and \$197,000, respectively, on account of commissions incurred on purchases and/or sale of uranium. In fiscal 2021 and fiscal 2020, the Corporation awarded to the Manager discretionary management fees of \$70,000 and \$300,000, respectively, in recognition of the Manager's efforts in carrying out non-routine activities during those fiscal years.

Under the terms of the 2019 MSA, any directors, officers, employees or consultants of the Manager who serve as officers of UPC are paid by the Manager and do not receive any remuneration from UPC for their work on behalf of the Corporation.

The 2019 MSA may be terminated during its term, subject to certain exceptions, by the Manager upon the provision of 180 days' written notice and by UPC: (a) at any time, upon the occurrence of a material breach of the 2019 MSA by the Manager, (b) upon 30 days' written notice and payment to the Manager of an amount equal to the base and variable management fees that would otherwise be payable to the Manager (calculated based on the Corporation's current uranium holdings at the time of termination) for the lesser period of three years from the date of the written notice or the remaining term of the 2019 MSA, and (c) within 90 days of certain events surrounding a change of both of the individuals serving as Chief Executive Officer and Chief Financial Officer of UPC, and/or a change of control of the Manager.

Assuming completion of the Proposed Transaction, and the assumption of management services by SAM, the 2019 MSA will be terminated and the termination payment due from the Corporation to the Manager is currently estimated to be approximately \$5.3 million.

Uranium Market

Uranium Uses

The only significant commercial use for U_3O_8 is as a fuel for nuclear power plants for the generation of electricity. Through the process of nuclear fission, the uranium isotope U-235 can undergo a nuclear reaction whereby its nucleus is split into smaller particles. Nuclear fission releases significant amounts of energy, creating heat to generate steam to spin a turbine, and is the basis of power generation in the nuclear industry.

Uranium has other commercial uses in the fields of medical diagnosis and other industries, but these markets are very small in terms of volume. For example, uranium is used as a feedstock in smaller nuclear reactors, globally, which are operated for research purposes and for the production of isotopes for medical and industrial end uses.

Uranium Production Process

The initial step in the process of preparing uranium for use in a nuclear reactor is the mining and upgrading of the ore in a uranium processing facility to produce uranium concentrates containing 80-90% U_3O_8 . Uranium concentrates are priced and sold based on the U_3O_8 content.

The second step in the nuclear fuel cycle process takes place at licensed uranium conversion facilities where U_3O_8 is converted to UF_6 (or to natural UO_2 for Candu type reactors). Above 56 degrees Celsius, UF_6 is a gas and is in a suitable form to be enriched to produce fuel for the majority of reactors. Following this UF_6 conversion, the uranium is enriched and then fabricated into fuel bundles, at which point it is ready to be loaded into a nuclear reactor.

Fiscal 2021 Uranium Industry Overview

Fiscal 2021 was an eventful year for the uranium industry. At the start of the year, the uranium market was impacted by significant and unexpected supply disruptions resulting from the COVID-19 pandemic. While uranium demand remained relatively steady as the world responded to the pandemic and nuclear power plants continued to operate largely without disruption, the supply side of the market experienced significant disruptions from the world's largest and most influential uranium producers. This supply disruption marked the beginning of a meaningful price recovery through the first quarter of the fiscal year. The unexpected supply reaction catalyzed by the pandemic was layered on top of a uranium supply/demand picture that had already begun to change over the past couple of years, with demand outstripping supply from primary production and the shortfall being made up by inventories and other secondary supplies. As this dynamic has played out, sentiment regarding a recovery in the uranium price has improved, particularly with the high-profile shutdown and curtailment of many supply sources across the industry, including the world's largest and highest grade uranium mine, Cameco Corporation's ("**Cameco**") McArthur River Mine in northern Saskatchewan, Canada, which was placed into care and maintenance indefinitely in July 2018.

COVID-19's short term effect on uranium supply has been dramatic, with additional production cuts announced by several of the world's largest uranium producers. In March 2020, Cameco and Orano Canada Inc. ("**Orano**") announced the closure of the lone remaining uranium production centre in Canada – the Cigar Lake Mine and the McClean Lake Mill. In April 2020, the world's largest producer of uranium, National Atomic Company Kazatomprom ("**Kazatomprom**"), announced that it would reduce operational activities across all its uranium mines for an expected period of three months. Kazatomprom indicated that production was expected to decrease by up to 4,000 tU (10.4 million pounds U₃O₈) over this period. Together, these supply shocks resulted in the uranium price quickly rising almost 38%, from the fiscal year opening price of US\$24.70 per pound U₃O₈ in mid-March 2020, to a high of US\$34.00 per pound U₃O₈ in May 2020.

In July 2020, Cameco announced that it would reopen its Cigar Lake mine in September. This news surprised many market participants and moving into August the uranium price slowly fell from above US\$32.20 at the time of the announcement, to US\$30.65 by month end. The spot price remained relatively stable for the remainder of the calendar year, with the market registering the highest ever spot market volumes for a single year. By the end of December, the spot volume transacted during calendar 2020 reached 93.6 million pounds U₃O₈, breaking the previous annual spot volume record from 2018 of 88.7 million pounds U₃O₈.

In August 2020, Kazatomprom announced that it had decided to maintain its 20% reduction in production below the planned levels in its subsoil use contracts through 2022. Kazatomprom also confirmed that it had purchased uranium in the spot market and could continue to do so through the rest of the year. These announcements seemed to help stabilize general market sentiment following the unexpected restart of Cigar Lake.

Based on these events, and other significant COVID-19 related production disruptions, large volumes of inventories and other secondary supplies were depleted faster than expected in fiscal 2021, accelerating the supply-demand rebalancing that was put into motion with the shutdown of the McArthur River mine in 2018. This, coupled with the fact that nuclear power plants around the globe have remained online operating largely without disruption, is expected to help move the market towards a long-term sustainable price increase sooner than it otherwise would have, absent COVID-19.

In December 2020, Cameco announced another temporary suspension of production at Cigar Lake as a result of rising COVID-19 cases in Saskatchewan's far north. While the uranium price increased immediately following this decision, the lack of buying activity, as the market slowed for the holiday season, seemingly flattened the impact of the announcement.

Going into calendar 2021, the spot market saw continued demand weakness, attributed, in part, to low levels of utility uncovered requirements in 2021 and 2022. This demand weakness resulted in competition among sellers which led to a further weakening in the spot price, which fell to US\$28.20 per pound U₃O₈ at the end of the fiscal year, before rebounding to US\$30.65 per pound U₃O₈ in the second half of March 2021 following announcements from several industry participants regarding plans for strategic uranium purchases.

Several trade issues in the United States have impacted the nuclear fuel market over the past few years, and the resolution of those matters in 2020 has brought growing market stability. In 2018, a petition was filed with the US Department of Commerce ("**DOC**") to investigate the import of uranium into the US under Section 232

of the 1962 Trade Expansion Act. In July 2019, the US President ultimately concluded that uranium imports do not threaten national security and no trade actions were implemented. In conjunction with this, a further review was ordered of the nuclear supply chain in the US, and the Nuclear Fuels Working Group (“**NFWG**”) was established. The NFWG reported its findings in April 2020, which, among other recommendations, included a plan to budget US\$150 million per year, in each of the next 10 years, for uranium and conversion purchases from US producers to stock the nation’s strategic reserve. In December 2020, review and discussion around this matter ended when the US Congress passed a Bill that included initial funding of US\$75 million to begin building a US uranium reserve. The Bill passed the US House and Senate with bipartisan support, and was signed into law in late December 2020.

The review of the Agreement Suspending the Antidumping Investigation on Uranium from the Russian Federation (also known as the Russian Suspension Agreement or “**RSA**”) also created uncertainty in the uranium market during 2020, as the RSA was due to expire at the end of the year. A draft amendment, however, was announced in September 2020 and finalized in October 2020. The new arrangement extends the agreement until 2040 and aims to reduce US reliance on Russian uranium products over the next 20 years. The deal negotiated between the US DOC and Russian government reduces Russian exports of the enrichment component from the current level of approximately 20% of US enrichment demand to an average of 17% over the 20-year period, and limits Russian uranium concentrates and conversion components contained in the enriched uranium product to an average equivalent of approximately 7% of US enrichment demand. The agreement’s conclusion brought significant clarity and stability to many nuclear fuel market participants.

Overall, uranium demand has grown in recent years as new reactors have been started around the world and demand now exceeds the annual levels that existed prior to Japan shutting down all its nuclear units following the 2011 Fukushima Daichii nuclear incident. As of March 2021, there were 437 nuclear reactors operable in 31 countries capable of generating 389 gigawatts of electricity (“**GWe**”) – together supplying over 10% of the world’s electrical requirements. In addition, there are 54 nuclear reactors being constructed in 19 countries, with several countries acting as principal drivers of this expansion, including China, India, South Korea, Russia, and the United Arab Emirates (“**UAE**”). UxC, LLC (“**UxC**”) forecasts, under its base case, that there will be an increase to 460 operating reactors by 2035, generating around 448 GWe. Through this period, annual uranium demand is expected to grow from 181 million pounds U_3O_8 in 2020 to around 213 million pounds U_3O_8 by 2035. Importantly, uncovered utility uranium requirements in this period, not including typical inventory building, are over 1.35 billion pounds U_3O_8 .

Early in 2020, the UxC outlook for annual global uranium production was expected to be approximately 142 million pounds U_3O_8 . This changed materially with the curtailment of additional production as a result of COVID-19. Actual production for 2020 is now estimated by UxC to have been 124 million U_3O_8 pounds which has created an even greater shortfall to 2020 estimated global annual demand of 181 million pounds U_3O_8 . Though rebounding a little from 2020, UxC estimates that primary production in 2021 will remain low at 127 million pounds U_3O_8 as COVID-19 restarts are offset by the planned shutdown of long-standing production sources at Energy Resources of Australia’s Ranger mine and Orano’s COMINAK project in Niger. With annual demand projected by UxC to be 175 million pounds U_3O_8 in 2021, the 2021 differential between primary production and annual demand is projected to remain high, at approximately 48 million pounds U_3O_8 .

With primary mine production in 2020 estimated by UxC to have supplied approximately 67% of the year’s estimated base case demand, the balance of demand is expected to have been supplied from secondary sources. These sources include commercial inventories, reprocessing of spent fuel, sales by uranium enrichers and inventories held by governments, such as those held by each of the US Department of Energy and the Russian government. Secondary supplies remain a complex aspect of the uranium market. UxC estimated that 64 million pounds U_3O_8 entered the market from secondary supplies in 2020, leaving a surplus of approximately 7 million pounds U_3O_8 compared to annual demand of 181 million pounds – meaning that the market demand would be met by those secondary sources of supply and that there would not be an imminent supply shortage. That being the case, UxC expects that secondary sources of supply will fall significantly from this level to 17 million pounds U_3O_8 per year by 2035 – which suggests that increased primary sources of production will be important in the market over the next decade.

The process of inventory drawdowns is indicative of a market that is approaching an inflection point – where the surplus material that has been easy to procure in past years is diminished and end-users of uranium begin to question where long-term uranium supplies will come from and how secure that supply will be over the long

lives of their nuclear reactors. There is a growing sense that market participants are beginning to look beyond near-term market conditions in an attempt to understand what the supply environment will look like in the mid-2020s and beyond. With a renewed focus on nuclear energy as a critical element in the ‘energy transition’ that many nations are looking to in order to battle climate change, it is expected that global utilities will be looking to source future supply from operations that are not only low-cost, reliable, and situated in stable jurisdictions (the typical criteria for a good supplier), but also those which are flexible and environmentally responsible.

Future and growing reliance on nuclear energy is again being considered by policy makers and interest groups around the world. As many industries were shut down around the globe in fiscal 2021 under the strain of COVID-19 related problems, nuclear electricity generation worldwide remained steadfast, providing the secure, baseload electricity needed to drive key infrastructure, including hospitals – all the while producing little to no carbon emissions. Building on the growing world view of the reliability and clean nature of nuclear power, there continued to be many positive news stories emerging on the demand side of the nuclear fuel market throughout fiscal 2021, including the following:

The UAE announced that its first nuclear power plant, Barakah unit 1, achieved initial criticality in July 2020. By December, the unit reached 100% power and was generating 1400 MW of electricity. Once the other units are operational, the four-unit plant are expected to generate around 25% of the UAE's electricity, preventing the release of up to 21 million tonnes of carbon emissions annually.

China National Nuclear Corp (“**CNNC**”) has seen several of its reactor projects reach significant milestones in fiscal 2021. In July 2020, CNNC announced that Unit 5 at its Tianwan nuclear power plant had attained initial criticality. Construction of the unit began in December 2015. Unit 6 at the site began construction in September 2016. Both are expected to attain full commercial operation before the end of 2021. In addition, the Fuqing 5 reactor at the Fuqing Nuclear Power Plant, the construction of which commenced in May 2015, attained initial criticality in October 2020, was connected to the grid in November 2020, and achieved first commercial operation in 2021.

China continues to be a bright spot in the industry having recently reiterated in-country nuclear growth plans. The government indicated that it would build six to eight nuclear reactors each year between 2020 and 2025 in an effort to get back on track with past goals – aiming to have total capacity installed and under construction to be around 200 GW by 2035. And in March 2021, China's National People's Congress released details from the country's 14th Five Year Plan, which includes an ambitious goal of achieving 70 GWe of gross nuclear power capacity by 2025, and increase of almost 50% from its current levels. According to the World Nuclear Association, as of March 2021, China has approximately 49 nuclear reactors in operation, generating approximately 47 GWe, and 16 under construction. According to China's Nuclear Energy Association, Chinese nuclear reactors produced 366.2 terawatt hour of electricity in 2020, which represents an increase of roughly 5% compared to 2019. Nuclear power's share of electricity in China was 4.9% in 2020.

Russia's Rosatom reported, in August 2020, that Unit 2 of the Leningrad II plant successfully reached the minimum controlled power level, meaning that a controlled, self-sustaining reaction had begun in the new reactor, and in late February 2021, the reactor entered its final testing phase.

In the US, Southern Companies' Georgia Power reached a milestone in the completion of its new reactor when it took delivery of the first nuclear fuel for Vogtle unit 3. The AP1000 reactor is approximately 96% complete, with fuel loading expected in 2021. The company also added itself to a growing list of US utilities to announce a commitment to a long-term reduction in greenhouse gas emissions to net-zero emissions by 2050 – its ability to reach that goal will be enhanced by completion of its new Vogtle Units 3 & 4.

In Canada, following the recent reconnection of Unit 2 at Ontario Power Generation's (“**OPG**”) Darlington Nuclear Generating Station, OPG announced another major milestone in September when work commenced on the refurbishment of Unit 3 following a brief postponement related to the COVID-19 pandemic.

OPG also added its name to the list of utilities committing to achieving net-zero carbon emissions – committing to reach that goal by 2040 and committing to help the markets in which they operate achieve net-zero carbon economies by 2050. The company also announced in November that it would begin advancing plans to locate a small modular reactor (“**SMR**”) at its Darlington site in order to support its net-zero goals. This built on an earlier announcement that OPG would leverage its more than 50 years of nuclear experience to advance

engineering and design work with three grid-scale SMR developers – GE Hitachi Nuclear Energy, Terrestrial Energy Inc. and X-Energy LLC.

The Canadian federal government also reinforced its support for nuclear energy and the development of SMRs, as a pillar in its plans for achieving the country's climate change goals. Federal energy minister Seamus O'Regan highlighted the importance of nuclear power multiple times in 2020, while releasing Canada's national SMR Action Plan which calls for the development, demonstration, and deployment of SMRs. Provincial governments in Canada have also continued to show their support for SMRs, most recently with the Government of New Brunswick announcing that it would invest another \$20 million to advance development of ARC Clean Energy Canada Inc.'s ("**ARC Canada**") SMR technology. This funding is contingent on ARC Canada obtaining matching funding for other investors.

Positive nuclear news also emerged from Japan late in 2020 as the country's new leader, Prime Minister Yoshihide Suga, pledged that the country will become carbon neutral by 2050. Japan's current energy plan, set in 2018, calls for 22-24% of its energy to come from renewables, 20-22% from nuclear power, and 56% from fossil fuels. Suga did not provide details on how Japan would reduce carbon emissions to zero, but said it would promote renewable energy and prioritize safety as it seeks a bigger role for nuclear.

France's President Macron indicated that nuclear will remain a key part of the country's energy mix, highlighting that the nuclear industry will remain the cornerstone of France's strategic autonomy. Though France has previously said it will cut its reliance on nuclear energy from 75% to 50% by 2035, it is also considering building next-generation EPR nuclear reactors.

In Poland, the country's deputy prime minister has indicated that the country is in discussion with several suppliers to construct up to six nuclear reactors in that country by 2043. Poland does not currently have any nuclear power plants.

In February 2021, it was announced the first unit at Belarus' first nuclear power plant, Ostrovets 1 is expected to be accepted for operation in April or May of 2021. When the unit begins operating, Belarus will become the 32nd nuclear power generating country.

In other nuclear industry news from February 2021, Honeywell International Inc. announced its intention to start its Metropolis Works plan, restarting US domestic production of UF₆. The Metropolis facility was shutdown indefinitely in October 2017 as a result of a global oversupply of UF₆ which had resulted in weak prices for UF₆ conversion services. ConverDyn, the marketing agent for the plant's output, has been meeting its supply contracts through the purchase of conversion from various sources since the 2017 shut down of the Metropolis plant. These purchasing efforts, along with the supply impact of shutting down one of only three uranium conversion facilities in Western Europe and North America, and the only facility in the U.S., have resulted in the price of conversion services increasing almost 380% from US\$4.50 at the time of the announcement of the plant closure, to US\$21.50 at the time of the restart announcement. Honeywell expects the plant to be ready for full production by 2023.

Taken together, the market sentiment towards nuclear energy has seen a marked uptick in the last months of the fiscal year, in part due to the impact of renewed and high-profile support for the industry by climate change enthusiasts, including Bill Gates and the new US Administration, which has reentered the Paris Agreement and identified nuclear power as a critical clean energy technology.

Government Regulation

The production, handling and storage of uranium are subject to various levels of extensive governmental controls and regulations which are amended from time to time. UPC is unable to predict what additional legislation or amendments may be proposed that might affect the uranium business or when any proposals, if enacted, might become effective.

Outlined below are certain government controls and regulations which materially affect the uranium industry.

Treaty on the Non-Proliferation of Nuclear Weapons (the "NPT")

The NPT was established in 1970 and is an international treaty with the following objectives: to prevent the spread of nuclear weapons and weapons technology, to foster the peaceful uses of nuclear energy, and to further the goal of achieving general and complete disarmament. The NPT establishes a safeguards system under the responsibility of the International Atomic Energy Agency ("IAEA"). A total of 191 countries are signatories to the NPT, including Canada and the five NPT-designated nuclear weapon states (China, Russia, the U.S., the United Kingdom and France).

Article III of the NPT states that each party to the NPT will undertake not to provide fissionable material, or equipment designed for the processing of fissionable material, to other states unless the fissionable material will be subject to the safeguards of the NPT, as enforced by the IAEA.

Canadian Uranium Industry Regulation

The federal government of Canada has recognized that the uranium industry has special importance in relation to the national interest and therefore regulates the industry through regulations and policy announcements. The regulations and policy announcements apply to any uranium property or plant in Canada, which the Canadian Nuclear Safety Commission ("CNSC") may determine to be, or to have the capability of, producing or processing uranium for nuclear fuel application. The regulations require that the property or plant be owned legally or beneficially by a company incorporated pursuant to Canadian laws.

The control of the use and export of uranium is governed by the *Nuclear Safety and Control Act (Canada)* (the "NSCA") which authorizes the CNSC to make regulations governing all aspects of the development and application of nuclear energy, including uranium mining, milling, conversion and transportation. The most significant powers given to the CNSC are in the licensing area. The NSCA grants the CNSC licensing authority for all nuclear activities in Canada, including the issuance of new licenses and the amendment and renewal of existing licenses. A person may only possess or dispose of nuclear substances and construct, operate and decommission its nuclear facilities in accordance with the terms of a CNSC licence. The licence specifies conditions that licensees must satisfy in order to maintain the right to operate nuclear facilities.

The NSCA grants to the CNSC the power to act as a court of record, the right to require financial guarantees for nuclear waste management and decommissioning as a condition of granting a licence, order-making powers and the right to impose monetary penalties. The NSCA also grants the CNSC power to require nuclear power plant operator re-certification and to set requirements for nuclear facility security measures. The NSCA also provides for increased emphasis on environmental matters, including a requirement that licensing applicants make adequate provision for the protection of the environment.

A fundamental principle in nuclear regulation is that the licensee bears the responsibility for safety, with the CNSC setting safety objectives and auditing the licensee's performance against the objectives. The regulations made under NSCA include provisions dealing with a facility's licence requirements, radiation protection, physical security for all nuclear facilities and the transport of radioactive materials. The CNSC has also issued guidance documents to assist licensees in complying with regulatory requirements such as decommissioning, emergency planning, and optimization of radiation protection measures.

The Canadian operations of the Facilities, which may be used by UPC, are governed primarily by licenses granted by the CNSC and are subject to all applicable federal statutes and regulations and to all laws of general application in the province where the operation is located, except to the extent that such laws conflict with the terms and conditions of the licence or applicable federal laws. Failure to comply with licence conditions or applicable statutes and regulations may result in orders being issued which may cause operations to cease or be curtailed or may require installation of additional equipment, other remedial action or the incurring of additional capital or other expenditures to remain compliant.

Should UPC wish to export any uranium held at Canadian Facilities to non-Canadian Facilities, the export of uranium is regulated by the Government of Canada, which establishes nuclear energy policy. Licenses and export permits, granted by the CNSC and the federal Department of Foreign Affairs and International Trade respectively, are required to be obtained for all exports. UPC will require that the Manager obtain any required permits for all such exports.

U.S. Uranium Industry Regulation

The uranium industry in the U.S. is primarily regulated by the NRC, which was established by the Energy Reorganization Act of 1974. The Atomic Energy Act of 1954, as amended (the “**AE Act**”), is the fundamental U.S. law on both the civilian and military uses of nuclear materials. The AE Act requires that civilian uses of nuclear materials and facilities be licensed, and it empowers the NRC to establish by rule or order, and to enforce, such standards to govern these uses as the NRC “may deem necessary or desirable in order to protect health and safety and minimize danger to life or property.” The NRC’s primary function is to regulate the various commercial and institutional uses of nuclear energy and to ensure the protection of employees, the public and the environment from radioactive materials.

As part of its oversight, the NRC regulates the movement of nuclear materials within the United States (10 CFR Part 71) and the regulations governing the import and export of uranium (10 CFR Part 110). Pursuant to these regulations, a licensee who transfers, receives, or adjusts its inventory of uranium source material or who exports or imports uranium source material, must complete a Nuclear Material Transaction Report in accordance with NRC instructions. This report is the primary mechanism for tracking physical movements of U.S. or any other origin uranium to foreign and domestic buyers.

Other agencies are involved in the regulation of the uranium industry, either directly or indirectly, including the Environmental Protection Agency, the Department of Transportation, Department of Energy, the Department of Defense, the Department of Homeland Security, the Army Corps of Engineers, and the U.S. Fish and Wildlife Service, as well as state regulatory authorities.

All of the U.S. operations of the Facilities used by UPC will be governed primarily by licenses granted by the NRC and are subject to all applicable federal statutes and regulations and to all laws of general application in the state where the operation is located, except to the extent that such laws conflict with the terms and conditions of the license or applicable federal laws. Failure to comply with license conditions or applicable statutes and regulations may result in enforcement action against the Facility, which may cause operations to cease or be curtailed or may require installation of additional equipment, other remedial action or the incurring of additional capital or other expenditures to remain compliant.

The U.S. Government also enters into international agreements for nuclear co-operation and trade with specific countries (or political blocs such as the European Union), with the general goal of supporting the peaceful uses of nuclear energy while upholding specific U.S. foreign policy and non-proliferation objectives. The NRC participates in this process by providing comment and clearance or approval of the proposed international agreements. While specific sales contracts are not reviewed or approved, the NRC is responsible for issuing export and import licenses for the shipment of uranium out of and into the U.S.

French Uranium Industry Regulation

The Government of France, including the Prime Minister in conjunction with the Ministries of Environment and Industry, exercises the oversight authority and control over nuclear security matters. The Nuclear Policy Council was established in 2008 by presidential decree, and is chaired by the President and includes the Prime Minister as well as cabinet secretaries in charge of energy, foreign affairs, economy, industry, foreign trade, research and finance as well as the head of the French Atomic Energy Commission (FCEA), the secretary general of national defence and the military chief of staff are on the council. In March 2016, Orano (then

AREVA), Electricite de France and the FCEA announced the formation of the tripartite French Nuclear Platform (PFN) to improve the joint effectiveness of the three bodies and devise a shared vision of a medium- and long-term goal for the industry, supporting the Nuclear Policy Council (CPN).

In addition, the Nuclear Safety Authority (“**ASN**”) is responsible to varying degrees, along with other government ministries, for the regulation of the various commercial and institutional uses of nuclear energy and for ensuring the protection of employees, the public and the environment from radioactive materials.

ASN works with a number of other government agencies, such as the Institute for Radiological Protection and Nuclear Safety, and outside experts in order to formulate policies and make decisions. The ASN also helps to coordinate the nuclear related activities of various government agencies, creates various nuclear safety regulations to support the government’s laws, and determines how to apply those regulations to specific situations. The ASN is supervised by several government ministers, including the Minister of Economy, Industry and the Digital Sector, the Minister of Social Affairs and Health and the Minister of Environment, Energy and Marine Affairs.

In order for a nuclear power plant or facility to be licensed for operation, a decree must be issued by the Prime Minister, after receiving reports from the applicable ministries and the ASN. Before this decree is granted, it is necessary for these ministries to review technical evaluation reports that are issued by the ASN.

France’s regulations related to the import and export of nuclear materials are complex and are regulated and controlled by the Nuclear Policy Council. Trade in nuclear materials is strictly controlled by the government, with the highest levels of government making the relevant decisions on policy. Before nuclear materials can be imported or exported from France, the trade must be authorized: (i) by the Minister of Defense for the materials intended for defense purposes; and (ii) by the Minister of Energy for the materials intended for other purposes. The Minister of Defense and the Minister of Energy must both consult the Minister of Internal Affairs and the Minister of Foreign Affairs prior to granting authorization. An authorization is granted for a definite period of time, with materials and maximum quantities being specified.

France follows the non-proliferation safeguards created by the IAEA, and only exports nuclear materials to countries that have signed the International Convention on the Physical Protection of Nuclear Materials. The destination country is thus committed to enforce a level of protection in accordance with international regulations when the material reaches its territory.

All of the French operations of the Facilities, which may be used by UPC, will be governed primarily by licenses granted by the French Government and are subject to all applicable statutes and regulations and the oversight by the ASN. Failure to comply with license conditions or applicable statutes and regulations may result in enforcement action, which may cause operations to cease or be curtailed or may require installation of additional equipment, other remedial action or the incurring of additional capital or other expenditures to remain compliant.

RISK FACTORS

An investment in securities of UPC is highly speculative and involves significant risks, which should be carefully considered by prospective investors before purchasing such securities. There are a number of factors that could negatively affect UPC's business and the value of UPC's securities, including the factors listed below. Such factors could materially affect the Corporation's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Corporation. The following information pertains to the outlook and conditions currently known to UPC that could have a material impact on the financial condition of UPC. This information, by its nature, is not all-inclusive and is not a guarantee that other factors will not affect UPC in the future.

Uranium Price Volatility from Demand and Supply Factors

Since almost all of the Corporation's activities involve investing in uranium, the value of its securities will be highly sensitive to fluctuations in the prices of uranium. Historically, the fluctuations in these prices have been, and are expected to continue to be, affected by numerous factors beyond the Corporation's control. Such factors include, among others: demand for nuclear power; political and economic conditions in uranium producing and consuming countries; public and political response to a nuclear accident; improvements in nuclear reactor efficiencies; and fluctuations in the supply and demand of uranium.

Uranium supplies are available from a number of sources, including: a relatively small number of uranium mining companies in key uranium producing countries; excess inventory from government and industry participants; reprocessed uranium and plutonium from used reactor fuel; and excess enrichment capacity, which can be used for underfeeding or re-enriching depleted uranium tails. Any number of these sources can be impacted by changes in economic and political conditions, thereby impacting the overall supply and/or demand of uranium and, in turn, the spot price for U_3O_8 and UF_6 .

In addition, since UF_6 is a different commodity than U_3O_8 , its price is affected by its own supply/demand balance as well as the supply/demand balances of U_3O_8 and the conversion component contained in UF_6 . As a result, the UF_6 spot price may move differently compared to the spot price of U_3O_8 or the spot price for conversion. The factors that affect the UF_6 spot price will affect the NAV of the Corporation, which in turn may affect the price of the Corporation's securities.

Set out in the table below is the spot price (in US dollars) for U_3O_8 per pound and UF_6 per KgU at the end of the last the five fiscal years⁽¹⁾.

	2017	2018	2019	2020	2021
$U_3O_8^{(1)}$	\$22.25	\$21.25	\$28.00	\$24.70	\$28.20
$UF_6^{(1)}$	\$64.00	\$62.00	\$87.00	\$85.95	\$94.00

(1) As published by UxC in US dollars.

Public Acceptance of Nuclear Energy and Competition from Other Energy Sources

The growth of the uranium and nuclear power industries will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. The nuclear industry is affected by unique political, technological and environmental factors. Accordingly, the industry is subject to public opinion risks which could have an adverse impact on the demand for nuclear power and result in increases in government regulation. An accident at a nuclear reactor anywhere in the world could impact the continued acceptance, by the public and regulatory authorities, of nuclear energy and the future prospects for nuclear generators, which could have a material adverse effect on the Corporation.

Nuclear energy competes with other sources of energy, including oil, natural gas, coal, renewables and hydro-electricity. These other energy sources are, to some extent, interchangeable with nuclear energy. Sustained lower prices of oil, natural gas, coal and hydro-electricity, as well as the possibility of developing other low cost sources for energy, may result in lower demand for uranium. Technical advancements in renewable and other alternate forms of energy, such as wind and solar power, could make these forms of energy more commercially viable and ultimately put additional pressure on the demand for uranium concentrates. Improvements in electricity storage and battery technologies could also have a significant impact on electricity generation and usage, thus impacting the importance of nuclear energy in the energy mix.

Risks Associated with Facilities

All uranium is stored at licensed uranium conversion, enrichment, or fuel fabrication Facilities owned by different organizations. As the number of duly licensed Facilities is limited, there can be no assurance that new arrangements that are commercially beneficial to the Corporation will be readily available. Failure to negotiate commercially reasonable storage terms with the Facilities may have a material adverse effect on the financial condition of the Corporation.

By holding its investments in uranium with various licensed Facilities, the Corporation is exposed to the credit risks of these Facilities and their operators. There is no guarantee that the Corporation can fully recover all of its investments in uranium held with the Facilities. Failure to recover all uranium holdings could have a material adverse effect on the financial condition of the Corporation.

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

COVID-19 Outbreaks

The social and economic disruptions associated with the COVID-19 pandemic may cause disruptions to the Corporation's business and operational plans, and may impact the trading value of the Corporation's securities and the market for uranium generally. These disruptions may include disruptions resulting from (i) interruption of services at uranium storage location, (ii) changes to uranium production and processing, and the availability of uranium in the spot market (iii) restrictions that governments impose to address the COVID-19 pandemic, (iv) restrictions that the Company and its contractors impose to ensure the safety of employees and others, and (v) the capital markets response to the uncertain economic impact of the pandemic. Further, it is presently not possible to predict the likelihood, extent or duration of any such disruptions and/or impacts to the Corporation's business or securities. Any such disruption could have a material adverse effect on the Corporation's business, financial condition, results of operations, and the trading value of its securities. Such adverse effect could be rapid and unexpected.

Foreign Exchange Rates

The Corporation maintains its accounting records, reports its financial position and results, and pays certain operating expenses in Canadian currency. In addition, its securities trade in Canadian currency. As the price of uranium is quoted in U.S. currency, fluctuations in the U.S. currency exchange rate relative to the Canadian currency can significantly impact the valuation of uranium and the associated market value from a Canadian currency perspective. In addition, purchases of uranium are generally made in U.S. dollars and the storage costs from the Facilities, at present, are paid in either U.S. dollars or Euros. As a consequence, the activities and the financial results of UPC are directly affected by changes in the relative exchange rates with the Canadian dollar. Because exchange rate fluctuations are beyond the Corporation's control, there can be no assurance that such fluctuations will not have an adverse effect on the Corporation's operations or on the trading value of its securities.

Industry Subject to Influential Political and Regulatory Factors, including International Trade Restrictions

The international nuclear fuel industry, including the supply of uranium concentrates, is relatively small (compared to other minerals), and is generally highly competitive, and heavily regulated. Worldwide demand for uranium is directly tied to the demand for electricity produced by the nuclear power industry, which is also subject to extensive government regulation and policies.

In addition, the international marketing and trade of uranium is subject to governmental policies and international trade restrictions, including those related to the International Atomic Energy Agency's nuclear non-proliferation regime.

International trade restrictions may include trade agreements, customs, duties, quotas, and/or taxes. For example, the supply and marketing of uranium from Russia is limited by international trade agreements, such as the RSA.

Over the past two years, policy related reviews in the United States have impacted the nuclear fuel market. In 2018, certain uranium producers filed a petition with the DOC to investigate the import of uranium into the U.S. under Section 232 of the *1962 Trade Expansion Act*. The Nuclear Fuels Working Group convened to review the matter recommended that the US build a strategic uranium reserve and, in December 2020, the US Congress passed a Bill that included funding for the first year of the acquisitions for the strategic reserve of uranium. This long-awaited resolution ended a period of uncertainty and disruption in the nuclear fuel market. Similarly, a 2020 extension to the RSA ended a period of uncertainty in the uranium market regarding potential changes to restrictions on Russian uranium supplies entering the United States.

In general, trade agreements, governmental policies and/or trade restrictions are beyond the control of the Corporation and may affect the Corporation's ability to buy, sell or hold uranium in the United States and Europe, which are currently the largest markets for uranium in the world. Similarly, trade restrictions or foreign policy have the potential to impact the ability to buy from or supply uranium to developing markets, such as China and India. Substantial changes to government policy, regulatory requirements, or trade agreements impacting the nuclear power or uranium supply sectors could have a material adverse impact on the Corporation's business, financial condition and results of operations.

Uranium Lending or Relocation

The Corporation may, from time to time, enter into uranium lending or relocation arrangements. As a matter of practice, the Corporation has obtained, and expects to obtain in the future, adequate security with respect to any loaned uranium. There is a risk, however, that a borrower may not be able to pay the associated costs of the loan or relocation, and may not be able to return the uranium in accordance with the terms of the agreement. In such cases, the Corporation may have to collect on its security or the borrower may, in lieu, repay the equivalent value of borrowed uranium in cash. In such circumstances, given the replacement cost of U_3O_8 and UF_6 and the resolution options available to the Corporation, the Corporation may not be able to ultimately recover the amount of uranium holdings originally loaned or relocated, which could have a material adverse effect on the financial condition of the Corporation.

No Public Market for Uranium

There is no public market for the sale of uranium. The uranium futures market on the New York Mercantile Exchange does not provide for physical delivery of uranium, only cash on settlement, and the industry's various trading platforms do not offer a formal market, but rather facilitate the introduction of buyers to sellers. The Corporation may not be able to acquire uranium or, sell uranium at a desired price level or at a desired time. The pool of potential purchasers and sellers is limited, and each transaction may require the negotiation of specific provisions around price, origins, and the timing and location of delivery. Accordingly, a purchase or sale cycle may take several weeks to complete. In addition, as the supply of uranium is limited, the Corporation may experience additional difficulties purchasing uranium in the event that it is a significant buyer. From time to time, the Corporation enters into commitments to purchase or sell U_3O_8 or UF_6 . Such commitments are generally subject to conditions in favour of both the vendor and the Corporation, and there is no certainty that the purchases or sales contemplated by such commitments will be completed. The inability to purchase and sell on a timely basis in sufficient quantities could have a material adverse effect on the securities of the Corporation.

Impact of Global Economic Conditions

Global financial conditions continue to be subject to volatility arising from international geopolitical developments and global economic phenomenon (including the COVID-19 pandemic), as well as general financial market turbulence. Access to public financing can be negatively impacted by the effect of these events on Canadian and global credit and financial markets. The health of the global financial and credit markets may impact the ability of the Corporation to obtain equity financing in the future and the terms at which financing is available to Corporation. These increased levels of volatility and market turmoil could adversely impact the Corporation and the trading value of its securities.

Uranium spot market volumes may also be impacted by global economic conditions, which can cause downward or upward pressure on the spot prices for uranium. Global economic conditions may influence the availability of financing or credit at various stages in the uranium market, such as the construction of new reactors, production from uranium producers or uranium exploration and development. In addition, global economic conditions can impact the amount of incremental supply of uranium made available to the market from excess inventories.

Lack of Operational Liquidity

During the fiscal year ended February 28, 2021, the Corporation had negative cash flow from operating activities. The Corporation anticipates it will continue to have negative cash flow from operating activities in future periods. The expenses of the Corporation are funded from cash on hand that is not otherwise invested in uranium and revenue from the lending or relocation of uranium. Once such available cash has been expended, the Corporation may generate additional cash from either the lending or sale of uranium, or the sale of additional equity securities. There is no guarantee that the Corporation will be able to sell additional equity or equity related securities on terms acceptable to the Corporation in the future, that the Corporation will be able to sell uranium in a timely or profitable manner, or that the Corporation will be able to generate revenue through lending arrangements. A lack of operational liquidity has the potential to have a material adverse impact on the value of the Corporation's securities.

Stated Objectives and Benefits of Transactions

UPC's stated primary purpose is to invest in uranium, either directly or through its wholly-owned subsidiaries, such that the common shares of the Corporation represent an indirect interest in physical uranium. The Corporation has further disclosed its general approach to managing the Corporation's business activities based on the measure of NAV per share and the attributable equivalent pounds of U_3O_8 per share. While the underlying value of the Corporation's common shares, or NAV per share, is inherently linked to the estimated fair market value of the Corporation's holdings of uranium and net working capital, the common shares of the Corporation will often trade on the TSX at a value that is either at a premium or discount to the estimated NAV per share. The Corporation may have opportunities to manage its business activities, on an accretive basis, via capital market transactions, including pursuing equity financings when trading at a premium to NAV per share or selling some of its uranium holdings to fund the repurchase of common shares or operating expenses when trading at a discount to NAV per share. Despite this approach, the Corporation may not be able to take advantage of such opportunities or otherwise execute such transactions as a result of various factors including: volatility in the premium and/or discount implied by the Corporation's share price; inability to secure transactions on terms deemed advantageous to the Corporation; restrictions under its corporate policies on UPC's ability to undertake transactions at certain times; and/or other risk factors described in this MD&A. The Board and management will assess whether a given business opportunity has the potential to be accretive, which assessment can be complex and requires the consideration of many specific factors including, but not limited to, transaction costs, execution risk, risk of concentration of inventory, availability of storage capacity, and tax or other commercial implications. There is a risk that a transaction that is assessed to have potential to be accretive to the Corporation is determined not to be in the best interest of the Corporation. There is also a risk that the intended benefits and/or accretion of a transaction undertaken by the Corporation are ultimately not realized after execution.

Assuming completion of the Proposed Transaction in accordance with the Arrangement Agreement, the Corporation will become a subsidiary of a newly formed Sprott Physical Uranium Trust managed by SAM under the terms of a management agreement to be executed as part of the Proposed Transaction. If the conditions are not satisfied, the Proposed Transaction may not be completed as currently anticipated. If the Proposed Transaction is completed, the anticipated benefits of the Proposed Transaction may not be achieved and/or the objectives and investment policies of the Trust may differ from those of the Corporation in material ways. The Corporation is expecting to seek UPC shareholder approval for the Proposed Transaction, and the full details of the Proposed Transaction are expected to be included in a management information circular to be filed with the regulatory authorities and mailed to UPC shareholders in accordance with applicable securities laws.

NAV

The NAV is calculated as the value of total assets less the value of total liabilities. To arrive at NAV per share, the NAV is divided by the total number of common shares outstanding as at a specific date. The total asset value is significantly dependent on the spot price of uranium published by UxC. The liabilities may include estimated liabilities for future income taxes. Accordingly, the NAV per share may not necessarily reflect the actual realizable value of uranium held by the Corporation attributable to each common share. In the case of a distressed liquidation of the assets of the Corporation, or disposal of the Corporation's assets at a time of low demand for uranium, it may not be possible to realize the NAV reported by the Corporation.

Market Price and Liquidity of Common Shares

The Corporation cannot predict whether the common shares will, in the future, trade above, at or below the NAV per share. Securities of companies in, or investing in, the natural resource sector have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic conditions in North America and globally, and market perceptions of the attractiveness of particular industries. The price of UPC's securities is also likely to be significantly affected by short-term changes in commodity prices, other mineral prices, currency exchange fluctuation, changes in its financial condition or results of operations as reflected in its periodic reports and changes in general market interest in UPC's securities. If an active market for the common shares does not continue, the liquidity of an investor's investment may be limited and the price of the securities of the Corporation may decline such that investors could lose their entire investment in the Corporation. As a result of any of these factors, the market price of the securities of UPC at any given point in time may not accurately reflect the long-term value of UPC.

The Corporation's principal source of funds is from the sale or lending of uranium and the issuance of equity securities. Accordingly, the Corporation may not have the resources to declare any dividends or make other cash distributions unless and until a determination is made to sell a portion of its uranium holdings for such purpose. Since inception, the Corporation has not declared any dividends, and the Corporation has no current intention to declare any dividends.

Reliance on Board of Directors and Manager

The Corporation is a self-governing corporation that is governed by the Board appointed and elected by the holders of the Corporation's common shares. The Corporation will, therefore, be dependent on the services of its Board for directing the affairs and material decisions of the Corporation, as well as the Manager for administration and management services.

Resignation by Manager

The Manager may terminate the Management Services Agreement in accordance with the terms thereof. The Corporation may not be able to readily secure services, or the level of industry experience, that is offered by the current Manager under the MSA. Additionally, the Corporation may not be able to secure the desired management services for a fee that is comparable to the fee under the current MSA. In either case, the Corporation's operations may be adversely affected.

Conflict of Interest

Directors and officers of the Corporation may provide investment, administrative and other services to other entities and parties. The directors and officers of the Corporation have devoted, and have undertaken to devote, such reasonable time as is required to properly fulfill their responsibilities in respect to the business and affairs of the Corporation as they arise from time to time. Conflicts of interest may arise from time to time, which require that the Corporation make its best efforts to mitigate any potential risk to the Corporation and its stakeholders. When faced with a potential conflict of interest, members of the Board will recuse themselves from deliberation and voting on certain matters. Similarly, the management services agreement with the Manager provides for certain procedures to apply if the Corporation enters into a uranium transaction with the Manager.

Anti-Bribery and Anti-Corruption Laws

UPC is subject to anti-bribery and anti-corruption laws, including the *Corruption of Foreign Public Officials Act* (Canada). Failure to comply with these laws could subject the Corporation to, among other things, reputational damage, civil or criminal penalties, other remedial measures and legal expenses which could adversely affect the Corporation's business, results in operations, and financial condition. It may not be possible for UPC to ensure compliance with anti-bribery and anti-corruption laws in every jurisdiction in which its employees, agents or sub-contractors are located or may be located in the future.

Disclosure and Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. Disclosure controls and procedures are designed to ensure that information required to be disclosed by a company in reports filed with securities regulatory authorities is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to

company's management, including its chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of reporting, including financial reporting and financial statement preparation.

Climate Change

Due to changes in local and global climatic conditions, many analysts and scientists predict an increase in the frequency of extreme weather events such as floods, droughts, forest and brush fires and extreme storms. Such events could materially disrupt the operations of participants in the nuclear fuel industry, such as Facilities, or impact infrastructure. A material event of this nature could impact the supply and/or demand of uranium, negatively affect the nuclear fuel industry and related markets, and could result in economic harm to UPC. Nuclear electricity generation provides secure baseload electricity while producing little to no carbon emissions, and therefore could see dependence upon it increase as the world looks to reduce carbon emissions. However, increased environmental regulation and/or the use of fiscal policy by regulators in response to concerns over climate change and other environmental impacts on companies throughout the uranium fuel industry could create volatility in uranium supply and demand, which could have a material adverse effect on UPC's financial condition.

Information Systems and Cyber Security

The Corporation's operations depend upon the availability, capacity, reliability and security of its information technology (IT) infrastructure, and the IT infrastructure of the Manager, to conduct its operations. UPC and the Manager rely on various IT systems in all areas of its operations, including financial reporting, contract management and communications with employees and third parties.

These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as network and/or hardware disruptions resulting from incidents such as unexpected interruptions or failures, natural disasters, fire, power loss, vandalism and theft. The failure of UPC's or the Manager's IT systems or a component thereof could, depending on the nature of any such failure, adversely impact the UPC's reputation and results of operations.

CAPITAL STRUCTURE AND DIVIDENDS

Capital Structure

The authorized capital of UPC consists of an unlimited number of common shares. As at February 28, 2021, UPC had an aggregate of 134,939,651 common shares issued and outstanding.

The by-laws of the Corporation provide that the rights, privileges, restrictions and conditions attaching to the common shares are as follows:

Notice of Meetings. Holders of common shares are entitled to notice of, to attend and to one vote per common share at all meetings of shareholders.

Rights on Liquidation. In the event of liquidation, dissolution or winding-up of UPC, the holders of common shares are entitled to participate pro rata in the distribution of the proceeds from the sale of uranium and any other net assets of UPC, subject to applicable laws.

Dividends

The Directors have adopted a policy of dedicating cash flow to reinvestment in the business. In addition, the Corporation's by-laws provide that 85% of the gross proceeds from certain offerings of securities by the Corporation is to be used to acquire uranium. Accordingly, no dividends have been declared to date.

MARKET FOR SECURITIES

The common shares are traded on the TSX under the symbol "U". The following table sets forth, for the months indicated, the intra-day high and low trading prices and the total trading volumes as reported on the TSX for the last fiscal year.

Date	High	Low	Volume
<u>2020</u>			
March	\$4.02	\$3.12	16,518,925
April	\$5.13	\$3.73	24,256,528
May	\$5.35	\$4.67	10,944,224
June	\$5.10	\$4.46	7,045,089
July	\$5.39	\$4.67	8,795,981
August	\$5.05	\$4.53	4,851,747
September	\$4.75	\$4.08	6,075,321
October	\$4.29	\$3.93	7,644,889
November	\$4.26	\$3.96	9,198,122
December	\$4.95	\$4.01	11,654,725
<u>2021</u>			
January	\$5.00	\$4.27	8,750,327
February	\$5.31	\$4.42	14,462,671

(Source: TMX Datalinx)

GOVERNANCE OF THE CORPORATION

UPC's Directors

The Board is responsible for the governance and the direction of the business, operations and affairs of UPC. The following table sets out the names and province or state of residence and the country of each of the directors as of the date of this AIF, their respective positions and offices held with the Corporation and their principal occupations. Each director has provided the information about the shares of the Corporation that he or she owns or over which he or she exercises control or direction. The following table also identifies the members of each committee of the Board of Directors.

Name and Province/State of Residence	Director Since ⁽¹⁾	Principal Occupation	Beneficial Ownership or Control Over Voting Common Shares
Paul J. Bennett ^(2,4) Alberta, Canada	June 2005	Corporate Director.	11,790
Thomas Hayslett ⁽²⁾ Tennessee, United States	February 2014	Corporate Director.	21,050
Jeff Kennedy ^(2, 5) Ontario, Canada	March 2005	Financial Consultant, engaged to provide administrative services to the Eric Sprott family office and investment holding company.	21,000
Garth A. C. MacRae ^(3, 4) Ontario, Canada	April 2005	Corporate Director.	10,000
Ganpat Mani ⁽³⁾ Colorado, United States	July 2014	Corporate Director.	12,487
Dorothy Sanford ⁽³⁾⁽⁶⁾ Ontario, Canada	June 2016	Corporate Director.	13,700

Notes:

- (1) The term of office of each of the directors will expire at the Annual Meeting of the Shareholders to be held in 2021.
- (2) Member of the Corporate Governance and Nominating Committee
- (3) Member of the Audit Committee
- (4) Member of the Compensation Committee
- (5) Chair of the Board
- (6) Lead Director of the Board

Paul J. Bennett

Mr. Bennett became a director in June 2005. He is retired from running a private resource consulting business (Energus Resources Ltd.). Mr. Bennett has held executive and senior management positions with Petrofrontier Corp, Rodinia Oil Corp, ExxonMobil Canada, Sable Offshore Energy Project and Mobil Oil Canada (MOCAN). He has also served as a director of the Maritimes and Northeast Pipeline and was formerly on the Board of Directors of Kerr Mines Inc. (TSX: Au). Mr. Bennett has over 44 years of domestic and international experience in geology, mining and oil/gas exploration, development and production. Mr. Bennett graduated from the University of Toronto in 1972 with a HBSc. in Geology and again in 1974 with a MSc. in Structural Geology. He is a member of the CSPG and AAPG, and is a retired Professional Geologist (P. Geol.) in the Province of Alberta (APEGGA) and has lived in Canada, Australia, the USA and the UK.

Thomas Hayslett

Mr. Hayslett became a director in February 2014. Mr. Hayslett retired as an independent consultant in the uranium industry at the end of 2016. Mr. Hayslett has over 45 years of experience dealing with various nuclear fuel issues and market matters, having started his career at the Tennessee Valley Authority ("TVA") in 1972 as

a nuclear engineer. From 1972 through 1988, Mr. Hayslett held various positions of increasing responsibility in both the nuclear fuel engineering and nuclear fuel supply organizations at TVA. From 1988 until retiring from TVA in 2004, he served as Manager, Nuclear Fuel Supply. From 2004 through 2008, Mr. Hayslett was a Senior Consultant with The Ux Consulting Company (“UxC”), and from 2008 through 2016, he served as an independent consultant to UxC or other clients. Mr. Hayslett graduated from Mississippi State University with a B.S. degree in Nuclear Engineering in 1971 and received a M.S. degree in Nuclear Engineering from the same university in 1976.

Jeff Kennedy

Mr. Kennedy has served as a director of the Corporation since March 2005 and became Chair of the Board in June 2017. Mr. Kennedy is engaged to provide administrative services to the Eric Sprott family office and investment holding company. Prior to this, until his retirement in June 2019, Mr. Kennedy was the Managing Director of Equity Capital Markets and Operations of Cormark. Mr. Kennedy also held the position of Chief Financial Officer of Cormark until 2015. Before his tenure at Cormark, Mr. Kennedy was the Chief Financial Officer of Loewen Ondaatje McCutcheon Limited until 1998. Mr. Kennedy was Chairman of the Capital Formula Subcommittee of the Investment Dealers Association of Canada (now the Investment Industry Regulatory Organization of Canada) (“IIROC”) from 1999 until 2003. Mr. Kennedy has been in the investment business since 1987. Mr. Kennedy also serves as Chair of the Board, and Chair of the Audit and Risk Committee, of Jaguar Mining Inc. and Director and Chair of the Audit Committee of Stroud Resources Ltd. (TSX-V: SDR). Mr. Kennedy holds a B.Com. degree from McMaster University and is a Chartered Professional Accountant.

Garth A. C. MacRae

Mr. MacRae became a director of the Corporation in 2005. Mr. MacRae brings to the Board over 40 years of experience in the resource industry, as well as over 16 years of public accounting experience. He has held executive positions with what is now Hudbay Minerals Inc., Brinco Limited and Denison Mines Limited and served as Chairman of Dundee Precious Metals Inc. from 1995 to 2002 and Vice Chairman of Dundee Corporation from 1993 until 2004. Mr. MacRae currently serves as a director of Stage Zero Life Sciences (TSX: SZLS). Mr. MacRae is a Chartered Professional Accountant.

Ganpat Mani

Mr. Mani became a director of the Corporation in July 2015. He retired in 2013 from his position as the Chief Executive Officer and President at ConverDyn, a provider of UF₆ conversion and related services to utilities operating nuclear power plants worldwide. During his term as CEO of ConverDyn, he also served as a Director at the Nuclear Energy Institute and was a member of the U.S. Civil Nuclear Trade Advisory Committee. Prior to that, Mr. Mani was with Paladin Energy Ltd, an Australian uranium producer supporting their global strategic initiatives. Other previous positions included Member, Board of Directors of Uranium International Corporation (now Tresoro Mining Corp.), a junior mining company, and Principal of Ganman Consulting LLC, which provided business strategy, market development and outsourcing support for nuclear and non-nuclear companies. Mr. Mani retired from Honeywell International Inc. in June 2007 after a 34 year-career spanning a variety of functional areas and product lines. His last position was Senior Vice President for marketing and sales at ConverDyn. Mr. Mani holds an MBA degree from Rutgers University, New Jersey and a Bachelor of Technology Degree in Metallurgical Engineering from Loughborough University, UK. Mr. Mani currently serves as director of Uranium Energy Corp. (NYSE American: UEC).

Dorothy Sanford

Ms. Sanford became a director of the Corporation in 2016 and was appointed Chair of the Audit Committee in 2017 and Lead Director of the Board in 2018. Ms. Sanford retired in April 2019 as the President of the MFDA Investor Protection Corporation, the compensation fund for Members of the Mutual Fund Dealers Association of Canada. Ms. Sanford has a long career providing regulatory advisory services to the financial services industry and market participants as an independent consultant and as a Partner at PricewaterhouseCoopers LLP for more than 10 years. Ms. Sanford was previously a senior regulator at the Ontario Securities Commission. Ms. Sanford holds an Honours Bachelor of Commerce from Queen’s University, an M.B.A. degree from the University of Toronto and is an elected Fellow of the Institute of Chartered Professional Accountants of Ontario.

UPC's Officers

The following table sets out the names and the province and the country of residence of each of the officers of the Corporation as of the date hereof, their respective positions and offices held with UPC and their principal occupation.

Name and Province of Residence	Position with UPC	Principal Occupation
David D. Cates Ontario, Canada	President and Chief Executive Officer	Director, President and Chief Executive Officer of DMC and the Manager
Gabriel (Mac) McDonald Ontario, Canada	Chief Financial Officer	Executive Vice President and Chief Financial Officer of DMC and Chief Financial Officer and Director of the Manager
Amanda Willett British Columbia, Canada	Corporate Secretary	Vice President Legal and Corporate Secretary of DMC and Corporate Secretary of the Manager

As at the date of this AIF, the directors and officers of UPC beneficially owned, directly or indirectly, 111,827 common shares in the Corporation, representing less than 1% of the issued and outstanding common shares.

David D. Cates

Mr. Cates was appointed President and Chief Executive Officer of the Corporation effective January 2016 and is also Director, President and Chief Executive Officer of each of DMC and the Manager. Mr. Cates has held various other roles with DMC during his tenure with the company, including Vice President, Finance and Chief Financial Officer from 2013 to 2015 and Director, Taxation from 2008 to 2012. Through his roles with DMC and the Manager, Mr. Cates has been involved in numerous aspects of the Corporation's business and affairs, including the Corporation's acquisition of Uranium Limited in 2010 and the Corporation's tax and financial planning activities. Mr. Cates also serves as a Director of the Canadian Nuclear Association and is a Chartered Professional Accountant (CPA, CA), holding Honours Bachelor of Arts (Chartered Accountancy) and Master in Accounting degrees from the University of Waterloo.

Gabriel (Mac) McDonald

Mr. McDonald was appointed Chief Financial Officer of the Corporation effective January 2016 and is also the Executive Vice President and Chief Financial Officer of DMC and a Director and the Chief Financial Officer of the Manager. Prior to joining DMC and the Manager in 2015, Mr. McDonald served as Director of Financial Reporting at IAMGOLD Corporation from 2014 and Senior Manager at PricewaterhouseCoopers LLP from 2008, where he provided audit, tax and other financial advisory services for global companies. Mr. McDonald is a Chartered Professional Accountant (CPA, CA) and has extensive financial experience and knowledge in the areas of financial reporting in accordance with IFRS, risk and quality management, SOX and internal controls, as well as experience in public and private debt and equity offerings in Canada and the United States.

Amanda Willett

Ms. Willett was appointed the Corporate Secretary of the Corporation in June 2016, and also serves as the Corporate Secretary of the Manager and Vice President Legal and Corporate Secretary of DMC. Ms. Willett is responsible for overseeing the Corporation's legal and corporate affairs. Prior to joining UPC, DMC and the Manager, Ms. Willett was a securities law associate at Blake, Cassels & Graydon LLP in Vancouver, a position she held since 2011. From 2008 to 2011, she was a corporate and securities law associate with Stikeman Elliott LLP in Toronto. Her practice focused on advising public and private companies on matters including mergers and acquisitions, joint ventures, securities offerings, securities law and stock exchange compliance matters, and general corporate matters. She has been involved in a broad range of transactional and corporate governance work for Canadian publicly-listed companies, with an emphasis on advising companies in the mining industry. Ms. Willett graduated from York University in 2007 with an LL.B. from Osgoode Hall Law School and an MBA degree from the Schulich School of Business. She is a member of the Ontario and British Columbia Bars.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as described below, to the knowledge of the Corporation:

- (a) no director or executive officer of the Corporation is, as at the date of this AIF, or has, within the 10 years before the date of this AIF, been a director, chief executive officer or chief financial officer of any company (including the Corporation), that was subject to a cease trade order or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an “order”) that was issued (A) while the director or executive officer was acting in capacity; or (B) was subject to an order that was issued after the director or executive officer ceased to be acting in such capacity but which resulted from an event that occurred while that person was acting in that capacity;
- (b) no director or executive officer of the Corporation or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation has, within 10 years before the date of this AIF, (A) been a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (B) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder; and
- (c) no director or executive officer of the Corporation or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to (A) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (B) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Until March 2019, Mr. Garth MacRae was Chairman of the board of directors of Dundee Energy Limited (“DEL”). Following the sale of DEL’s wholly-owned subsidiary, Dundee Energy Limited Partnership in November 2018, pursuant to a court supervised sale process, DEL and certain of its subsidiaries filed an assignment for the benefit of creditors under the *Bankruptcy and Insolvency Act* (Canada) on March 27, 2019.

Standing Committees of the Board

There are currently three standing committees of the Board of Directors: the Audit Committee, the Corporate Governance and Nominating Committee and the Compensation Committee.

The Audit Committee

The Audit Committee of the Corporation’s Board of Directors is principally responsible for:

- recommending to the Corporation’s Board of Directors the external auditor to be nominated for election by the Corporation’s shareholders at each annual general meeting and negotiating the compensation of such external auditor;
- overseeing the work of the external auditor;
- reviewing the Corporation’s annual and interim financial statements, its MD&A in respect thereof and press releases regarding earnings before they are reviewed and approved by the Board of Directors and publicly disseminated by the Corporation; and
- reviewing the Corporation’s financial reporting procedures for the Corporation’s public disclosure of financial information extracted or derived from its financial statements.

The Corporation’s Board of Directors has adopted an audit committee mandate/terms of reference (the “Mandate”) which sets out the Audit Committee’s mandate, organization, powers and responsibilities. The complete Mandate is attached as Schedule A to this AIF.

Below are the details of each Audit Committee member, including his or her name, whether he or she is independent and financially literate as such terms are defined under National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators (“NI 52-110”) and his or her education and experience as it relates to the performance of his or her duties as an Audit Committee member.

Director	Independent	Financially Literate ⁽¹⁾	Education & Experience Relevant to Performance of Audit Committee Duties
Garth MacRae	Yes	Yes	<ul style="list-style-type: none"> Chartered Professional Accountant Has held position of Chief Financial Officer of a public company Has served on audit committees of a number of public companies
Ganpat Mani	Yes	Yes	<ul style="list-style-type: none"> Has served as Chief Executive Officer of global company. Has held director and senior officer positions within a number of public companies MBA degree
Dorothy Sanford, Chair, Audit Committee	Yes	Yes	<ul style="list-style-type: none"> Elected Fellow of the Institute of Chartered Professional Accountants of Ontario Honours Bachelor of Commerce degree and MBA degree Has a long career providing regulatory advisory services to the financial services industry and market participants as an independent consultant and as a Partner at PricewaterhouseCoopers LLP

Notes:

(1) To be considered financially literate, a member of the Audit Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Since the commencement of the Corporation's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Corporation's Board of Directors. The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in Section D of the Mandate.

The following table discloses the fees (rounded to the nearest thousand) billed to the Corporation by its external auditor, PricewaterhouseCoopers LLP, during the last two fiscal years.

Financial Year Ending	Audit Fees ⁽¹⁾	Audit-Related Fees ⁽²⁾	Tax Fees	All Other Fees
February 29, 2020	\$59,500	\$37,300	Nil	Nil
February 28, 2021	\$65,800	\$41,800	Nil	Nil

Notes:

(1) The aggregate fees billed for audit services.

(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements that are not disclosed in the Audit Fees column. Fees primarily relate to (a) reviews of interim consolidated financial statements; and (b) audit-related engagements in connection with the review of audited and reviewed financial disclosure during fiscal 2020 and fiscal 2021.

The Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is comprised of three directors, being Messrs. Bennett, Hayslett and Kennedy, all of whom are independent as such term is defined under National Policy 58-201 – *Corporate Governance Guidelines* of the Canadian Securities Administrators (“**NP 58-201**”). This Committee is responsible for developing UPC's approach to corporate governance issues, advising the Board of Directors in filling vacancies and, periodically, reviewing the composition and effectiveness of the Board of Directors, its committees and individual directors.

The Compensation Committee

The Compensation Committee is comprised of two directors, being Messrs. Bennett and MacRae, both of whom are independent and have compensation literacy as such terms are defined under NP 58-201. This Committee is responsible for developing UPC's approach to and reviewing director compensation. All officers of UPC are provided by the Manager pursuant to the 2019 MSA and UPC does not compensate any executives.

Directors are paid such remuneration for their services as the Board of Directors may, from time to time, determine upon the recommendation of the Compensation Committee. For fiscal 2020, individual directors' compensation was comprised of (a) a retainer of US\$25,000 per year; and (b) for each attended meeting of the Board of Directors and committees of the Board of Directors, a fee of US\$1,000. UPC also reimburses the members of the Board of Directors for out-of-pocket expenses for attending such meetings.

CONFLICTS OF INTEREST

Principal Holders of Securities

To the knowledge of the directors and executive officers of the Corporation, as at the date of this AIF, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation, except as noted as follows:

Name	Number of Common Shares	Percentage of Outstanding Common Shares
Kopernik Global Investors, LLC	14,552,518 ⁽¹⁾	10.78%

Note:

⁽¹⁾ This number was obtained from an Alternative Monthly Report filed on behalf of Kopernik Global Investors, LLC, on October 9, 2020 and has not been verified by the Corporation.

The Manager

The Manager does not have an ownership interest in the Corporation. All of the Corporation's Board members are independent of the Manager. As at the date hereof, the directors and officers of the Corporation in the aggregate own less than 1% of the outstanding capital of the Manager. In addition, as at the date hereof, the directors and officers of the Manager in the aggregate own less than 1% of the common shares of UPC.

DMC is a uranium exploration and development company with interests focused in the Athabasca Basin region of northern Saskatchewan, Canada. In addition to its 90% owned Wheeler River project, which hosts the high grade Phoenix and Gryphon uranium deposits, DMC's exploration portfolio consists of numerous projects in the Athabasca Basin region. DMC's interests in Saskatchewan also include a 22.5% ownership interest in the McClean Lake joint venture, which includes several uranium deposits and the McClean Lake uranium mill, which is under contract to process ore from the Cigar Lake mine under a toll milling agreement, plus a 25.17% interest in the Midwest Main and Midwest A deposits and a 66.90% interest in the Tthe Heldeth Tuvé ("THT") and Huskie deposits on the Waterbury Lake property. The Midwest Main, Midwest A, THT and Huskie deposits are located within 20 kilometres of the McClean Lake mill. The Manager is also engaged in mine decommissioning and environmental services through its Closed Mines group based in Elliot Lake, Ontario.

The possible conflicts of interest between the Manager and UPC have been addressed as follows:

- (i) limitations have been placed on the ability of the Manager to purchase uranium from or sell uranium to Related Parties (See "Business of UPC – Management of UPC");
- (ii) the ability of the Corporation to lend uranium is at the Board's discretion;
- (iii) all Board members are independent of the Manager and DMC; and
- (iv) restrictions have been placed on the business to be carried on by UPC (See "Business of UPC").

The Board

Mr. Kennedy, Chair of the Board, was an officer and a director of Cormark until his retirement in June 2019. Cormark has acted as an underwriter for the Corporation, most recently in connection with the 2018 Offering. Cormark has also been engaged to provide other advisory services for the Board. With his retirement from Cormark effective June 30, 2019, UPC is no longer a “connected issuer” in relation to any underwriting activity by Cormark on behalf of UPC.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this AIF, no director or executive officer of UPC, no person or company that beneficially owns, controls or directs, indirectly or directly, more than 10% of the Corporation’s common shares, and no associate or affiliate of any of them, has or has had, within the three most recently completed financial years or during the current financial year, any material interest, direct or indirect, in any transaction which materially affects or is reasonably expected to materially affect UPC.

UPC and the Manager have entered into the 2019 MSA, pursuant to which the Manager administers the activities of UPC. See “Business of UPC – Management of UPC”. For the year ended February 28, 2021, UPC has paid to the Manager management fees in the aggregate amount of \$2,336,000 in accordance with the terms of the 2019 MSA. Reference is also made to Note 10 of the Corporation’s audited financial statements for the year ended February 28, 2021, a copy of which is available on UPC’s website at www.uraniumparticipation.com and under its profile on SEDAR at www.sedar.com.

LEGAL PROCEEDINGS

Management of the Corporation is not aware of any legal or administrative proceeding outstanding, threatened or pending as at the date hereof by or against UPC or relating to the business which would be material to the Corporation.

MATERIAL CONTRACTS

Reference is made to the material contracts which have been filed by UPC with the Canadian securities regulatory authorities on the SEDAR website at www.sedar.com, as the only contracts material to UPC other than those entered into in the ordinary course of business:

1. The Arrangement Agreement. For further information, see “About Uranium Participation Corporation - Developments over the Last Three Years – Recent Developments”.
2. The 2019 MSA. For further information, see “About Uranium Participation Corporation – Developments over the Last Three Years – Fiscal 2020” and “Business of UPC – Management of UPC”.

A copy of the above-mentioned material contracts are available on the SEDAR website at www.sedar.com or may be inspected at the Corporation’s registered office upon reasonable request.

REGISTRAR AND TRANSFER AGENT

Computershare Investor Services Inc. acts as the registrar and transfer agent for the common shares. The address for Computershare Investor Services Inc. is 100 University Avenue, 9th Floor, Toronto, ON M5J 2Y1, Canada, and the phone number is 1-800-564-6253.

NAMES AND INTERESTS OF EXPERTS

The Corporation’s independent auditor is PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, who have issued an independent auditor’s report dated April 1, 2021 in respect of UPC’s consolidated financial statements as at February 28, 2021 and February 29, 2020 and for each of the financial years ended 2021 and 2020. PricewaterhouseCoopers LLP has advised that it is independent with respect to the Corporation within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct as of April 1, 2021.

ADDITIONAL INFORMATION

Additional information regarding the Corporation is available on the SEDAR website at www.sedar.com and on the Corporation's website at www.uraniumparticipation.com.

Additional financial information is provided in the Corporation's audited consolidated financial statements and Management's Discussion & Analysis for the financial year ended February 28, 2021. Additional information, including director remuneration and principal holders of the Corporation's securities, is contained in the Corporation's most recent Management Information Circular in connection with the annual meetings of the Corporation's shareholders. These documents have been or will be filed on the SEDAR website at www.sedar.com and the Corporation's website at www.uraniumparticipation.com.

You may also obtain a copy of these documents from the Corporation at no cost by calling 416-979-1991, by e-mail at info@uraniumparticipation.com or by written request to:

Corporate Secretary
Uranium Participation Corporation
1100 - 40 University Avenue
Toronto, Ontario M5J 1T1
Telephone: (416) 979-1991
Facsimile: (416) 979-5893
Email: info@uraniumparticipation.com

The Manager may be contacted at the following address:

Denison Mines Inc.
1100 - 40 University Avenue
Toronto, Ontario M5J 1T1
www.denisonmines.com
Telephone: (416) 979-1991
Facsimile: (416) 979-5893

Schedule A
Audit Committee Mandate
of
Uranium Participation Corporation
(the “Company”)

A. Composition of the Committee

- (1) The Board shall appoint annually from among its members at the first meeting of the Board following the annual meeting of the shareholders a committee to be known as the Audit Committee (the “Committee”) to be composed of three (3) directors or such other number not less than three (3) as the Board may from time to time determine.
- (2) Any member of the Committee may be removed or replaced at any time by the Board. Any member of the Committee ceasing to be a director or ceasing to qualify under A(3) below shall cease to be a member of the Committee. Subject to the foregoing, each member of the Committee shall hold office as such until the next annual appointment of members to the Committee after his or her election. Any vacancy occurring in the Committee shall be filled at the next meeting of the Board.
- (3) Each member of the Committee shall:
 - (a) be a member of the Board;
 - (b) not be an officer or employee of the Company or any of its affiliates;
 - (c) satisfy the independence requirements applicable to members of audit committees under each of Multilateral Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators (“M1 52-110”), Rule 10A-3(b)(1)(ii) of the United States Securities and Exchange Commission, and any other applicable laws and regulations, as the same may be amended from time to time (“Applicable Laws”); and
 - (d) satisfy the financial literacy requirements prescribed by Applicable Laws.
- (4) A majority of the Committee shall constitute a quorum.
- (5) The Committee shall elect annually a chairperson from among its members.

B. Purpose

- (1) The Committee’s purpose is to assist the Board in its supervision of the management of the business and affairs of the Company through oversight of:
 - (a) the integrity of the Company’s financial statements, Management’s Discussion and Analysis (“MD&A”) and other financial reporting;
 - (b) the integrity of the Company’s internal control and management information systems;
 - (c) the Company’s compliance with all applicable laws, rules, regulations, policies and other requirements of governments, regulatory agencies and stock exchanges relating to accounting matters and financial disclosure;
 - (d) the auditor’s qualifications and activities;
 - (e) communication among the auditor, management and the Board; and
 - (f) such other matters as are determined by the Board from time to time.

C. Committee Resources

- (1) The Committee shall have direct channels of communication with the Company’s auditor to discuss and review specific issues as appropriate.

- (2) The Committee, or any member of the Committee with the approval of the Committee, may retain at the expense of the Company such independent legal, accounting (other than the auditor) or other advisors on such terms as the Committee may consider appropriate and shall not be required to obtain the approval of the Board in order to retain or compensate any such advisors.
- (3) The Committee shall have unrestricted access to Company personnel and documents and shall be provided with all necessary funding and other resources to carry out its responsibilities.

D. Committee Responsibilities

- (1) The responsibilities of the Committee shall be to:
 - (a) with respect to financial accounting matters:
 - (i) review with management and the external auditors the annual consolidated financial statements, MD&A and press release announcing annual financial results of operations before making recommendations to the Board relating to approval of such documents;
 - (ii) review with management and the external auditors interim financial statements, MD&A and press release announcing interim financial results of operations before making recommendations to the Board relating to approval of such documents;
 - (iii) review and discuss with management and the external auditors all public disclosure documents containing audited or unaudited financial information including: any Prospectus; the Annual Report; interim unaudited reports; and any material change report pertaining to the Company's financial matters. The Committee will review the consistency of the foregoing documents with facts, estimates or judgments contained in the audited or unaudited financial statements;
 - (iv) satisfy itself that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements, other than the Company's financial statements, MD&A and earnings press releases, and shall periodically assess the adequacy of those procedures;
 - (v) prior to the completion of the annual audit, and at any other time deemed advisable by the Committee, review and discuss with management and the auditor the quality of the Company's accounting policies and financial statement presentation, including, without limitation, the following:
 1. all critical accounting policies and practices to be used, including, without limitation, the reasons why certain estimates or policies are or are not considered critical and how current and anticipated future events may impact those determinations as well as an assessment of any proposed modifications by the auditors that were not made;
 2. all alternative accounting treatments for policies and practices that have been discussed by management and the auditors; and
 3. other material written communications between the auditor and management, including, without limitation, any management letter, schedule of unadjusted differences, the management representation letter, report on internal controls, as well as the engagement letter and the independence letter;
 - (vi) review annually the accounting principles and practices followed by the Company and any changes in the same as they occur;
 - (vii) review new accounting principles of the Canadian Institute of Chartered Accountants and the International Accounting Standards Board which would have a significant impact on the Company's financial reporting as reported to the Committee by management;
 - (viii) review the status of material contingent liabilities as reported to the Committee by management;

- (ix) review potentially significant tax problems as reported to the Committee by management; and
 - (x) review any errors or omissions in the current or prior year's financial statements which appear material as reported to the Committee by management;
- (b) with respect to the external auditors:
- (i) be directly responsible for recommending the appointment of the auditor, the auditor's compensation, retention and termination and for oversight of the work of the auditor (including, without limitation, resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or services for the Company;
 - (ii) approve, prior to the auditor's audit, the auditor's audit plan (including, without limitation, staffing), the scope of the auditor's review and all related fees;
 - (iii) satisfy itself as to the independence of the auditor. The Committee shall pre-approve any non-audit services (including, without limitation, fees therefor) provided to the Company or its subsidiaries by the auditor or any auditor of any such subsidiary and shall consider whether these services are compatible with the auditor's independence, including, without limitation, the nature and scope of the specific non-audit services to be performed and whether the audit process would require the auditor to review any advice rendered by the auditor in connection with the provision of non-audit services. The Committee shall not allow the auditor to render any non-audit services to the Company or its subsidiaries that are prohibited by Applicable Law;
 - (iv) review and approve the Company's policies concerning the hiring of employees and former employees of the Company's auditor or former auditor.
- (c) with respect to internal controls:
- (i) oversee management's design, testing and implementation of the Company's internal controls and management information systems and review the adequacy and effectiveness thereof.
- (d) with respect to concerns and complaints:
- (i) establish procedures for:
 1. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 2. the confidential, anonymous submission by employees of the Company of concern regarding questionable accounting or auditing matters.
- (e) with respect to ethics:
- (i) The Committee shall be responsible for oversight and enforcement of the Code of Ethics for the Chief Executive Officer, Chief Financial Officer and Other Officers of the Company, subject to the supervision of the Board.
- (f) with respect to general audit matters:
- (i) inquire of management and the external auditors as to any activities that may or may not appear to be illegal or unethical;
 - (ii) review with management, the operations analyst and the external auditors any frauds reported to the Audit Committee;
 - (iii) review with the external auditors the adequacy of staffing for accounting and financial responsibilities; and
 - (iv) report and make recommendations to the Board as the Committee considers appropriate.

- (2) In addition, the Board may refer to the Committee such matters and questions relating to the Company as the Board may from time to time see fit;
- (3) Any member of the Committee may require the auditors to attend any or every meeting of the Committee.

E. Meetings

- (1) The times of and the places where meetings of the Audit Committee shall be held and the calling of and procedure at such meetings shall be determined from time to time by the Committee, provided however that the Committee shall meet at least quarterly, and the Committee shall maintain minutes or other records of its meetings and activities. Notice of every such meeting to be given in writing not less than five (5) days prior to the date fixed for the meeting, and shall be given to the auditors of the Company, that the auditors shall be entitled to attend and be heard thereat. Meetings shall be convened whenever requested by the auditors, the operations analyst or any member of the Audit Committee in accordance with the *Ontario Business Corporations Act*.
- (2) As part of each meeting of the Committee at which it recommends that the Board approve the financial statements of the Company, and at such other times as the Committee deems appropriate, the Committee shall meet separately with the auditor to discuss and review specific issues as appropriate.

F. Evaluation of Charter and Mandate

- (1) On at least an annual basis, the Committee shall review and assess the adequacy of this Charter and Mandate and recommend any proposed changes to the Board of Directors.
- (2) All prior resolutions of the Board relating to the constitution and responsibilities of the Audit Committee are hereby repealed.