



## Message for Certain U.S. Unitholders of the Sprott Physical Uranium Trust

We have provided the following Passive Foreign Investment Corporation (“PFIC”) Annual Information Statements for each of Uranium Participation Corporation (for the taxation year January 1, 2021 to July 18, 2021) and Sprott Physical Uranium Trust (for the taxation period July 19, 2021 to December 31, 2021) which will enable a U.S. taxpayer to elect to treat each of these entities as a Qualified Electing Fund (QEF) on IRS Form 8621 for the 2021 taxation year. The amounts reported in each PFIC Annual Information Statement include the 2021 results of its subsidiaries.

Whether the QEF election is appropriate for you depends on your personal circumstances. U.S. taxpayers are advised to consult the summary of U.S. federal income tax considerations set out in the Management Information Circular for the special meeting of shareholders of Uranium Participation Corporation held on July 7, 2021. Please note that the PFIC Annual Information Statements have been prepared on the assumption that U.S. taxpayers will “purge” their investment using a deemed sale election under Section 1291(d).

For each PFIC, your U.S. tax preparer will require the following: 1) the PFIC Annual Information Statement for each entity and 2) your account statements for the tax year provided by your investment dealer which has your respective holdings for each of Uranium Participation Corporation (for the period January 1, 2021 to July 18, 2021) and Sprott Physical Uranium Trust (for the period July 19, 2021 to December 31, 2021).

The PFIC Annual Information Statements provide the pro-rata share of each entity’s ordinary earnings, net capital gains, and cash/property distributions per unit per day. To calculate your individual amounts for a QEF election, you will multiply the number of days in 2021 you held in each entity by the pro-rata amounts on the Annual Information Statements.

To assist a U.S. Taxpayer who holds units in each of Uranium Participation Corporation (for the period January 1, 2021 to July 18, 2021) and Sprott Physical Uranium Trust (for the period July 19, 2021 to December 31, 2021) the pro-rata share of the ordinary earnings, net capital gains, and cash/property distributions for the underlying entities (as described below) which are held 100% by each of Uranium Participation Corporation and Sprott Physical Uranium Trust during each respective period have been provided as both of these underlying investments may be classified as PFICs.

Also note, that Uranium Participation Corporation, Uranium Participation Bermuda Limited, and Uranium Participation Bermuda 2 Limited entered into a Section 332 nontaxable liquidation during the year. Going forward, the current intention is that there will only be Sprott Physical Uranium Trust. U.S. taxpayers who choose not to file a QEF election should consult their tax advisors as their US tax consequences will be more complex.

The Trust will issue the Annual PFIC Information Statements for the period ended December 31, 2021 by the second week of March 2022. You will need this information in order to complete your QEF election. The PFIC statements can be found at [www.Sprott.com/Uranium](http://www.Sprott.com/Uranium) in the Tax & Resources section.

IRS Guide to complete Form 8621 – <https://www.irs.gov/forms-pubs/about-form-8621>

For more information, we encourage you to review our Trust Tax Guide which can be found in the Tax & Resources section of our website at [www.Sprott.com/Uranium](http://www.Sprott.com/Uranium) or contact us at [uranium@sprott.com](mailto:uranium@sprott.com)