



Sprott Physical Uranium Trust 2025 Tax Guide for U.S. Investors

The information in this guide applies to the tax year 2025.

Sprott



1. What is a PFIC?

- “PFIC” stands for “Passive Foreign Investment Company.” A foreign corporation such as the Sprott Physical Uranium Trust (“the Trust”) will be treated as a PFIC for any taxable year if either of the following is true: (a) more than 75% of its gross income is from passive sources or (b) at least 50% of its assets are held for the production of passive income.

2. Is the Trust a PFIC?

- The Trust has been a PFIC since its inception and it is expected the Trust will continue to be treated as a PFIC for each of its taxable years.

3. What are the tax advantages for U.S. investors as a result of the Trust being a PFIC?

- Normally, all long-term capital gains on investments in metals, such as uranium, are subject to a 28% collectibles tax rate (short-term capital gains are subject up to a 37% tax rate in 2025), each in addition to a 3.8% tax on certain net investment income. Losses on the disposition of metals are treated as capital losses which can only be used to offset capital gains and \$3,000 of ordinary income.
- But because the Trust is a PFIC, a U.S. individual investor is eligible for the long-term capital gain tax rate (a maximum rate of 15% or 20% depending on income, in addition to a 3.8% tax on certain net investment income) on the sale or redemption of their units. In order to be eligible for the capital gain tax rate, a U.S. taxable investor must make a timely and effective Qualifying Electing Fund (“QEF”) election with respect to the Trust and must have held the units for more than one year at the time of the sale.
- Any U.S. taxable investor can make a QEF election, which is made on IRS Form 8621 that is filed with the investor’s annual U.S. income tax return.
- The QEF election must be made with the tax return for the first year in which the investor acquired shares of the Trust. The election is made only once and is maintained by reporting the investor’s *pro rata* share of the Trust’s ordinary earnings and net capital gain on Form 8621 as described in Item 8 (“What are the other consequences of the Trust being a PFIC?”). Note that while the election is made only once, the investor will have to file a Form 8621 with the investor’s annual income tax reports to report the income from the Trust as described in Item 8. If an investor acquires additional units, a new election is not necessary with respect to such units as the existing election will automatically apply to such newly acquired units.

4. Where can I find IRS Form 8621 and additional information on how to complete it?

- IRS Form 8621 can be downloaded here: <https://www.irs.gov/pub/irs-pdf/f8621.pdf>
- Instructions for IRS Form 8621 can be downloaded here: <https://www.irs.gov/pub/irs-pdf/i8621.pdf>



5. Where can I find the necessary information for my QEF filing and annual reporting?

- The Trust will annually provide each U.S. taxable investor with all necessary information in order to make and maintain a QEF election on its website at www.sprott.com/uranium, including a PFIC Annual Information Statement.
- The identifying number (EIN) of the Trust is 96-6103218

6. Can the Trust be held in an Individual Retirement Account (“IRA”)?

- Yes, the Trust can be held in an IRA.

7. What if a U.S. taxable investor did not make a QEF election for the first year the investor held Trust units but wishes to do so now?

- A U.S. taxable investor who did not make a QEF election for the first year the investor held units may make a special election to treat the units as if they were sold for their fair market value on the first day of the year in which the investor wants to make the QEF election.
- Any gain realized on such deemed sale would be taxed at ordinary income rates and subject to an interest charge. The units will have a tax basis equal to their fair market value if a gain is recognized as a result of the deemed sale election.
- Losses on such deemed sale are not recognized but rather are deferred until the units are ultimately sold.
- An investor who did not make a timely QEF election should consult their tax advisor regarding the deemed sale election.

8. What are the other consequences of a QEF Election with respect to the Trust?

- While investors in a PFIC with a timely and effective QEF election are eligible for a lower tax rate on gains from the sale of their units than investors in a PFIC without a timely and effective QEF election, an investor in a PFIC with a timely and effective QEF election is required to report in each year’s U.S. federal income tax return their *pro rata* share of the Trust’s ordinary earnings and net capital gain, if any, for the Trust taxable year that ends with or within the taxable year of the investor. This report is made by filing a Form 8621 with the investor’s annual income tax reports to report the ordinary income and capital gains from the Trust as described in Item 4.
- The Trust generally does not expect to produce any taxable income, except and unless it disposes of any of its investments, so U.S. taxable investors that make a QEF election **may not have to report any *pro rata* share of ordinary earnings and net capital gain.**



- The fiscal year end of the Trust is on December 31.
- Net losses of the Trust will **not** pass-through to a U.S. taxable investor who makes a QEF election but a loss can be recognized on the disposition of units.

9. Are there other elections that can be made?

- Yes, a U.S. taxable investor may make a mark-to-market election for their units rather than a QEF election.
- If the mark-to-market election is made, the U.S. taxable investor generally would include as ordinary income (maximum tax rate of 37% in 2025, in addition to a 3.8% tax on certain net investment income) in each taxable year the excess, if any, of the fair market value of the units at the end of the taxable year over such U.S. taxable investor's adjusted tax basis in the units.
- The U.S. taxable investor would also be permitted an ordinary loss in respect of the excess, if any, of the U.S. taxable investor's adjusted tax basis in the units over their fair market value at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election.
- A U.S. taxable investor's tax basis in their units would be adjusted to reflect any such income or loss amount. Any distributions by the Trust would be subject to tax at ordinary income tax rates.

10. What are the consequences of making neither a QEF election nor a mark-to-market election to a U.S. taxable investor?

- A U.S. taxable investor who does not make either a QEF election or a mark-to-market election for that year is subject to special rules, with respect to: (1) any gain realized on the sale, exchange, redemption or other disposition of the units and (2) certain distributions with respect to the units. Very generally, under these special rules, any gain realized on the sale of units is treated as ordinary income and is subject to an interest charge on the deferred tax liability during the investor's holding period.

11. Can a U.S. tax-exempt investor benefit from the Trust's PFIC status?

- The PFIC rules do not apply to a pension or profit sharing trust or other tax-exempt organization that did not borrow funds or otherwise use leverage in connection with its acquisition of the units.

12. Does the Trust issue K-1s?

- No, the Trust does not issue K-1s.



13. Can you provide an example of QEF reporting?

- Assume that the investor acquires units in the Trust for \$100 on January 1, 2024.
- For the taxable year ending December 31, 2024, the Trust reports no income to the investor. The investor files Form 8621 with their annual U.S. federal income tax return and makes the QEF election and reports \$0 of income from the Trust.
- For the taxable year ending December 31, 2025, the Trust reports no income to the investor. The investor files Form 8621 with their annual U.S. federal income tax return and reports \$0 of income from the Trust.
- On February 15, 2026, the investor sells their units in the Trust for \$150. For the taxable year through February 15, 2026, the Trust reports no income to the investor.
- The investor recognizes \$50 of long-term capital gain for their taxable year ending December 31, 2026, which is taxable at long-term capital gains rates (currently up to 20% for individuals, in addition to a 3.8% tax on certain net investment income). In addition, the investor files Form 8621 with their annual U.S. federal income tax return and reports \$0 of income from the Trust.

14. Where can I find the PFIC Annual Information Statements for the Sprott Physical Uranium Trust units I own?

- Please visit <https://sprott.com/investment-strategies/exchange-listed-products/physical-commodity-funds/uranium/> and navigate to the "Tax & Resources" section.

Sprott Inc.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2600
Toronto, Ontario M5J 2J1, Canada
Toll Free: 888.622.1813

www.sprott.com

The Sprott logo consists of the word "Sprott" in a bold, dark blue, sans-serif font.

The risks associated with investing in a Trust depend on the securities and assets in which the Trust invests, based upon the Trust's particular objectives. There is no assurance that any Trust will achieve its investment objective, and its net asset value, yield and investment return will fluctuate from time to time with market conditions. There is no guarantee that the full amount of your original investment in the Trust will be returned to you. The Trust is not insured by the Canada Deposit Insurance Corporation or any other government deposit insurer. Please read a Trust's prospectus before investing.

The information contained herein does not constitute an offer or solicitation to anyone in the United States or in any other jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Prospective investors who are not resident in Canada should contact their financial advisor to determine whether securities of the Funds may be lawfully sold in their jurisdiction.

The information provided is general in nature and is provided with the understanding that it may not be relied upon as, nor considered to be, the rendering of tax, legal, accounting or professional advice. Readers should consult with their own accountants and/or lawyers for advice on the specific circumstances before taking any action.

Sprott Asset Management LP is the investment manager to the Sprott Physical Uranium Trust (the "Trust"). Important information about the Trust, including the investment objectives and strategies, purchase options, applicable management fees, and expenses, is contained in the prospectus. Please read the document carefully before investing. You will usually pay brokerage fees to your dealer if you purchase or sell units of the Trust on the Toronto Stock Exchange ("TSX"). If the units are purchased or sold on the TSX, investors may pay more than the current net asset value when buying units or shares of the Trust and may receive less than the current net asset value when selling them. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated. This communication does not constitute an offer to sell or solicitation to purchase securities of the Trust.

This brochure may not be reproduced in any form, or referred to in any other publication, without acknowledgement that it was produced by Sprott Asset Management LP and a reference to www.sprott.com. The opinions, estimates and projections ("information") contained within this report are solely those of Sprott Asset Management LP ("SAM LP") and are subject to change without notice. SAM LP makes every effort to ensure that the information has been derived from sources believed to be reliable and accurate. However, SAM LP assumes no responsibility for any losses or damages, whether direct or indirect, which arise out of the use of this information. SAM LP is not under any obligation to update or keep current the information contained herein. The information should not be regarded by recipients as a substitute for the exercise of their own judgment. Please contact your own personal advisor on your particular circumstances. Views expressed regarding a particular company, security, industry or market sector should not be considered an indication of trading intent of any investment funds managed by SAM LP. These views are not to be considered as investment advice nor should they be considered a recommendation to buy or sell. SAM LP and/or its affiliates may collectively beneficially own/control 1% or more of any class of the equity securities of the issuers mentioned in this report. SAM LP and/or its affiliates may hold short position in any class of the equity securities of the issuers mentioned in this report. During the preceding 12 months, SAM LP and/or its affiliates may have received remuneration other than normal course investment advisory or trade execution services from the issuers mentioned in this report.

This document is for information purposes only and should not be relied upon as investment advice. We strongly recommend that you consult your investment professional for a comprehensive review of your personal financial situation before undertaking any investment strategy. Information herein is subject to change without notice and Sprott Asset Management LP is not responsible for any inaccuracies or to update this information.

© 2026 Sprott Inc. All rights reserved.