

URANIUM  
ROYALTY CORP

# Inaugural Sustainability Report

FY23

FUELING A CLEANER TOMORROW





**Cigar Lake**  
Underground tunnels at Cigar Lake are reinforced with concrete to ensure a safe working environment.

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# Message from the CEO



**Scott Melbye**  
President & Chief Executive Officer  
Uranium Royalty Corp.

I am proud to present our inaugural 2023 Sustainability Report for Uranium Royalty Corp. (“Uranium Royalty” or the “Company”), the first and only pure play uranium royalty company. Over the last several years, we have made significant progress growing our portfolio to 20 interests on 18 development, advanced, permitted and producing uranium projects in key uranium jurisdictions. As the first company to apply the successful royalty and streaming business model exclusively to the uranium sector, we leverage our first-mover advantage through providing needed capital to producing, developing, and next generation uranium mining companies. This supports our mission to fuel a cleaner tomorrow.

As worldwide demand for electricity continues to grow and the global community calls on governments and industries to address the climate crisis, we believe a wholistic approach is needed – a combination of intermittent renewable energy sources, such as wind and solar, and continuous zero-carbon sources, such as nuclear energy. We believe that nuclear energy has a crucial role to play in global decarbonization and we are proud to be a financier to leading operators in the industry. This includes our royalty relationship with some of the world’s highest grade uranium mines, such as McArthur River and Cigar Lake in the Athabasca Basin in Saskatchewan, Canada.

At the heart of Uranium Royalty, we seek to fuel a cleaner tomorrow, while supporting our communities and ensuring sound oversight and governance within our organization. In the fiscal year (“FY”) ended April 30, 2023, we hired a Vice President (“VP”) of Environmental, Social, Governance (“ESG”) & Sustainability and conducted a materiality assessment, resulting in the implementation of our Sustainability Program. This includes the adoption of a Sustainability Policy, which outlines our commitment to the environment and our community and the strengthening of our ESG-related due diligence and corporate risk management functions.

As a royalty company, we play an important role in promoting sustainability and innovation in mining. We carefully screen and seek to select operators who share our principles of responsible environmental stewardship and strong community support, and we strive to develop long-term relationships based on mutual commitment to those principles. Our comprehensive due diligence process is central to our

sustainability approach, helping to ensure the quality of our portfolio for shareholders. Every potential project is examined, from its geological model and technical plan, the experience of its management team, to its sustainability performance and risk management. Our team’s expertise and collective experience allows us to develop agreements for the mutual benefit of all stakeholders.

Our strong balance sheet, experienced management and Board positions us to capitalize on accretive uranium royalty and streaming acquisition opportunities. With the growing demand for nuclear energy globally, we are well positioned to take advantage of current market conditions to help uranium mine developers and operators meet their financing needs, while taking steps to prioritize their environmental and social responsibility.

In closing, I would like to thank the Uranium Royalty team for their dedication and expertise, and our Board for their ongoing guidance and support. I would also like to thank our shareholders for their continued confidence in our long-term strategy. Uranium Royalty enters this coming year with a continued commitment to sustainability and a vision for a cleaner tomorrow.

Sincerely,

**Scott Melbye**

President & Chief Executive Officer  
Uranium Royalty Corp.

# FY 2023 Highlights

## GOVERNANCE



Hired VP of  
ESG & Sustainability



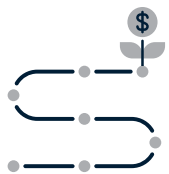
Approved the Company's official  
**Anti-Corruption Policy and  
Corporate Disclosure Policy**



Conducted a materiality  
assessment and began  
implementing a **robust  
sustainability program**



**100%** employee confirms  
adherence with **Code of  
Business Conduct and Ethics**



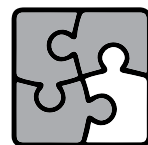
**Strengthened sustainability due  
diligence function** for royalty  
and streaming arrangements



**100% board attendance** at  
six board meetings held in  
the fiscal year



Strengthened corporate  
**risk management function**



**Achieved board diversity** of  
**20%** female and  
**20%** under-represented  
ethnicities

## ENVIRONMENTAL

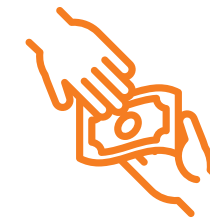


Developed agreement with property manager to work together to **measure our emissions from our corporate office** (Scope 1 and 2) in calendar year 2023

## SOCIAL



Approved the  
**Company's  
Sustainability Policy**



Donated approximately  
**US\$48,000** to  
**community programs**



Achieved Executive  
Management Diversity of:  
**33% female** and  
**33% ethnically diverse**

# About This Report

We are pleased to present Uranium Royalty's inaugural Sustainability Report, which aims to enhance transparency by communicating our sustainability policies, priorities and performance to our stakeholders.



The report shares the Company's sustainability activities and performance for FY 2023, our goals and priorities for FY 2024 and beyond, and our values and commitment to seek to adhere to best practices in sustainability management. The report includes disclosures containing relevant, industry-specific information and data aligned with globally recognized standards, including the Sustainability Accounting Standards Board ("SASB"), which can be found on page 24. The accuracy and transparency of this report is important to the Company.

"Uranium Royalty", "URC", "we", "our", "us" and variations of such words refer to Uranium Royalty Corp. All references to dollar amounts are to United States dollars ("US\$") unless otherwise stated.

Except as otherwise indicated, the information herein has been prepared for the FY 2023. Information regarding the projects and properties underlying our interests, the operators thereof (including their environmental, social and governance practices, commitments and goals) has been derived from the public disclosures of the owners and operators. Descriptions of our assets and business have been simplified for presentation purposes.

For questions about this report, please contact Katherine Arblaster, VP, ESG & Sustainability, at [info@uraniumroyalty.com](mailto:info@uraniumroyalty.com).

# About Uranium Royalty

Uranium Royalty is a pure-play uranium royalty company focused on gaining exposure to uranium prices by making strategic investments in uranium interests, including royalties, streams, debt and equity investments in uranium companies, as well as through holdings of physical uranium. The Company's strategy recognizes the inherent cyclicity of valuations based on uranium prices, including the impact of such cyclicity on the availability of capital within the uranium sector.



**McArthur River**

Located in northern Saskatchewan, the McArthur River mine is the world's largest, high-grade uranium deposit.

The Company intends to execute its strategy by leveraging the deep industry knowledge and expertise of its management team and the board of directors of the Company (the "Board") to identify and evaluate investment opportunities in the uranium industry. The Company's management and Board include individuals with decades of combined experience in the uranium and nuclear energy sectors, including specific expertise in mine finance, project identification and evaluation, mine development and operations and uranium sales and trading.

Uranium Royalty is the first company to apply the successful royalty and streaming business model exclusively to the uranium sector. With this first-mover advantage, Uranium Royalty's mission is to fuel a cleaner tomorrow by providing much needed financing to producing, developing, and next generation uranium mining companies.

URC's long-term strategy is to gain exposure to uranium prices by owning and managing a portfolio of geographically diversified uranium interests, including uranium royalties and streams, debt and equity investments in uranium companies and trading physical uranium from time to time. The Company's primary focus is to identify, evaluate and acquire the following:

- Royalties in uranium projects pursuant to which the Company would receive payments from operators of uranium mines based on production and/or sales of uranium products;
- Uranium streams pursuant to which the Company would make an upfront payment to a project owner or operator in exchange for long-term rights to purchase a fixed percentage of future uranium production;
- Off-take or other agreements pursuant to which the Company would enter into long-term purchase agreements or options to acquire physical uranium products; and direct strategic equity or debt investments in companies engaged in the exploration, development and/or production of uranium.

Uranium Royalty's growing portfolio includes 20 interests on 18 development, advanced, permitted and producing uranium projects in multiple jurisdictions, including royalties on the world class McArthur River and Cigar Lake mines.

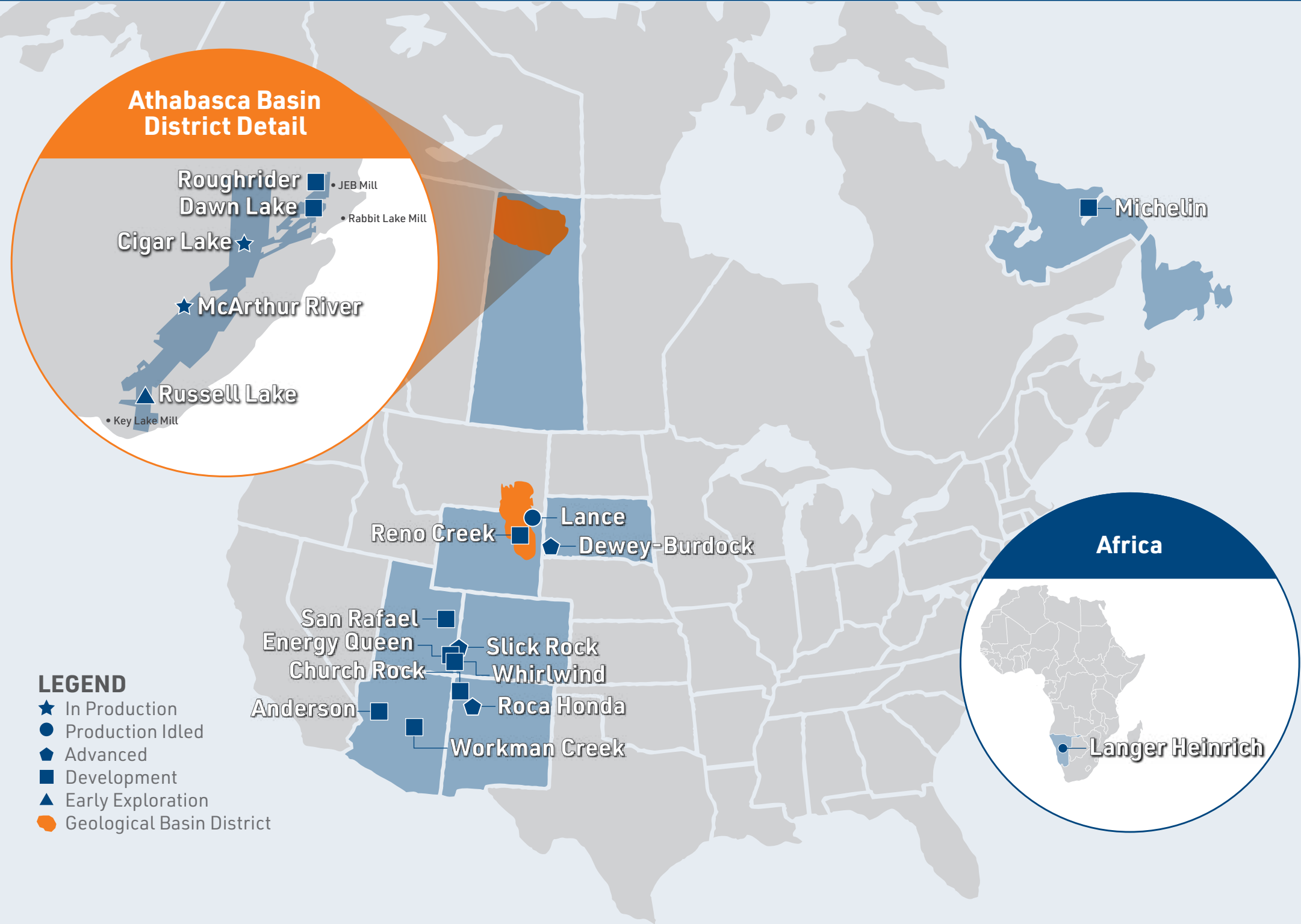
Uranium Royalty's strategic partnership with Yellow Cake plc ("Yellow Cake"), which began with our participation in Yellow Cake's initial public offering in 2018, provides the Company with the option to participate in Yellow Cake's long term purchase rights agreement with Kazatomprom, and provides for future cooperation and collaboration with acquisitions of physical uranium, royalties, streams, and similar interests.

Further, URC is a counterparty to a uranium offtake agreement with China's CGN Global Uranium Ltd ("CGN"), the uranium supply arm of the world's fastest growing nuclear energy company and operator of the Husab Mine in Namibia. It is through these strategic alliances and opportunistic market purchases that URC holds interests in physical uranium, acquired at cyclical lows. Read more about our strategic partnerships with Yellow Cake and CGN on our website.

Uranium Royalty's strong balance sheet and experienced management and Board, positions us to capitalize on accretive uranium royalty and streaming acquisition opportunities. With the growing demand for nuclear energy globally, Uranium Royalty is well positioned to take advantage of current market conditions as a provider of development capital to the uranium sector to fuel a cleaner tomorrow.

For further information regarding the Company and its assets, please refer to its Annual Information Form for the year ended April 30, 2023.

# Global Diversified Asset Portfolio



# Royalty Portfolio

EARLY EXPLORATION	DEVELOPMENT	ADVANCED	PRODUCTION
Russell Lake/ Russell Lake South <sup>(5)</sup>	Anderson	Dewey-Burdock (NPR) <sup>(3)</sup>	Cigar Lake/ Waterbury Lake <sup>(2)(3)</sup>
	Church Rock	Dewey-Burdock (GVR) <sup>(3)(4)</sup>	McArthur River <sup>(1)(3)</sup>
	Dawn Lake <sup>(3)(6)</sup>	Roca Honda <sup>(3)</sup>	
	Energy Queen <sup>(3)(7)</sup>	Slick Rock	
	Michelin		PRODUCTION RESTARTS
	Reno Creek <sup>(3)</sup>		Lance (1% GRR)
	Roughrider <sup>(5)</sup>		Lance (4% GRR) <sup>(3)</sup>
	San Rafael <sup>(3)</sup>		Langer Heinrich
	Whirlwind <sup>(3)(8)</sup>		
	Workman Creek		



**NOTES**

The Company classifies its projects based on the stage of current and historical exploration, development and production. The following is a description of the categories utilized by the Company to classify the project stage of each of its royalty interests.

**Early Exploration** - A project is considered to be in the Early Exploration stage when there is no current or historic mineral resource or mineral reserve defined for the project.

**Development** - A project is considered to be in the Development stage when the project has a current or historic mineral resource or reserve defined for the project, but there is no current preliminary economic assessment, pre-feasibility study or feasibility study completed by the operator thereof to support the potential economic viability of such resource or reserve.

**Advanced** - A project is considered to be in the Advanced stage when there is a current mineral resource or mineral reserve defined for the project, which is supported by a preliminary economic assessment, a pre-feasibility study or a feasibility study.

**Production Idled** - A project is considered to be in the Production Idled stage when the project, or part of it, has been in production at any time during the past three calendar years, but such production has been idled due to market conditions or otherwise.

**In Production** - A project is considered to be in the In Production stage when the underlying property, or part of it, is subject to steady-state uranium production operations. In the case of some NPI royalties, projects may be in production without the generation of royalty revenue.

- (1) A 1.0% GORR on an approximate 9% share of uranium production derived from an approximate 30.195% ownership interest of Orano.
- (2) A 10% to 20% sliding scale NPI royalty on a 3.75% share of overall uranium production, drawn from Orano's 40.453% ownership interest. As an NPI royalty this royalty will not generate revenue until production re-commences and only after cumulative expense accounts, that include development costs, are recovered.
- (3) The royalty acquired by URC does not apply to the entirety of the project.
- (4) A 2% - 4% sliding scale gross value royalty on portions of the Dewey-Burdock Project.
- (5) The royalties on the Roughrider Project and Russell Lake and Russell Lake South projects are represented by the same royalty instrument.

- (6) A 10% to 20% sliding scale NPI royalty on a 7.5% share of overall uranium production. The royalty rate adjusts to 10% in the future upon production of 200 Mlbs from the combined royalty lands of the Dawn Lake and Waterbury Lake/ Cigar Lake projects. As an NPI royalty this royalty will not generate revenue until production re-commences and only after cumulative expense accounts, that include development costs, are recovered.
- (7) A 1% gross value royalty applicable to both uranium and vanadium sales from portions of the Energy Queen Project. URC may choose to take product payment in physical ore or concentrates.
- (8) A 2% - 4% sliding scale gross value royalty applicable to both uranium and vanadium sales from portions of the Whirlwind. URC may choose to take product payment in physical ore or concentrates.



# Nuclear Energy for a Cleaner Tomorrow

With rising global electricity demand and increasing calls for carbon-free energy to address the climate crisis, nuclear power is recognized as a crucial component in the world's energy mix to provide clean, safe, 24/7, low-cost electricity generation and achieve global decarbonization efforts.

"We are not going to be able to achieve our climate goals if nuclear power plants shut down.... We are really standing at the dawn of a new nuclear age... nuclear is a critical, clean, baseload power"

- **United States Energy Secretary Jennifer Granholm**

"As we look at what the baseload energy requirements are going to be needed by Canada over the coming decades... we're going to need a lot more energy. We're going to have to be doing much more nuclear."

- **Canadian Prime Minister Justin Trudeau**

"What our country needs, and the conditions are there, is a rebirth of France's nuclear industry."

- **French President Emmanuel Macron**



The International Energy Agency (“IEA”) projects a doubling of electricity generation by 2050, requiring a combination of intermittent renewables like wind and solar, and continuous zero-carbon sources such as nuclear energy.

According to the IEA, nuclear energy accounts for approximately 10% of global electricity generation.<sup>1</sup> In 2022, the World Nuclear Association (“WNA”) reports that nuclear energy provided approximately 19% of U.S. electricity, representing 55% of the country’s carbon-free electricity and resulting in 482 million metric tons of avoided carbon dioxide emissions, comparable to removing approximately 107 million gasoline-powered vehicles from the road for a year.<sup>2</sup>

The Intergovernmental Panel on Climate Change (“IPCC”), in its 2022 report, projects the global investments in nuclear energy generation to reach well over US\$100 billion per year through mid-century. Further, the IPCC found that holding a global average temperature increase to 1.5 requires a doubling of global nuclear energy generation by 2050.<sup>3</sup> The WNA’s Harmony Programme expresses an even higher forecasted need: “To meet the growing demand for sustainable energy, we will need nuclear to provide 25% of electricity before 2050 as part of a clean and reliable low-carbon mix. Achieving this means nuclear generation must triple globally by 2050.”<sup>4</sup>

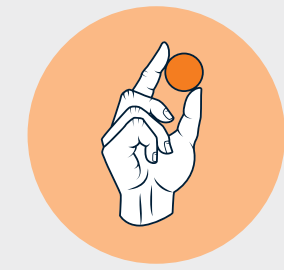
The U.S. government continues to support nuclear energy growth, exemplified by the bi-partisan Infrastructure Bill announcement of a US\$6 billion program to assist nuclear power plants and facilitate the transition to clean energy.<sup>5</sup> Subsequently, the U.S. government’s Inflation Reduction Act provided Production Tax Credits to bolster continued operation of America’s carbon free nuclear energy facilities. To date, the legislation is achieving positive results with utility companies investing in uprates and continued investments to extend the life of nuclear operations.

Moreover, nuclear energy has proven to be the safest and most cost-effective forms of energy. With the lowest rate of energy accident fatalities per unit of generated electricity across Organization for Economic Co-operation and Development (“OECD”) countries.<sup>6</sup> According to the OECD Nuclear Energy Agency “a mix relying primarily on nuclear is the most cost-effective option to achieve the decarbonization target of 50 gCO<sub>2</sub> per kilowatt-hour.”

This track record as a safe, reliable and cost-effective carbon-free power source led the European Union in 2022 to deem nuclear energy as a sustainable investment, recognizing its role in decarbonization.<sup>7</sup>

# Fast Facts on Nuclear Energy

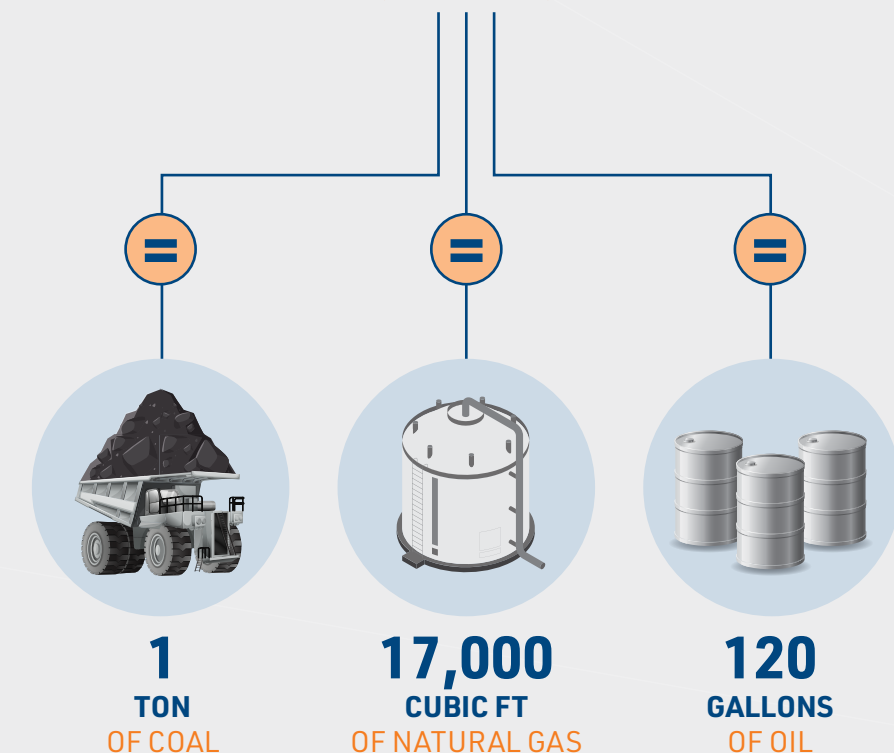
Nuclear fuel is extremely energy dense.



1

**URANIUM PELLETS**

(-1 INCH TALL)



<sup>1</sup> IEA. (n.d.). Nuclear electricity – analysis. IEA. <https://www.iea.org/reports/nuclear-electricity>

<sup>2</sup> Nuclear Power in the USA. Nuclear Power in the USA - World Nuclear Association. (n.d.). <https://www.world-nuclear.org/information-library/country-profiles/countries-t-z/usa-nuclear-power.aspx>

<sup>3</sup> Sixth assessment report. IPCC. (n.d.). <https://www.ipcc.ch/assessment-report/ar6/>

<sup>4</sup> The Harmony Programme. The Harmony programme - World Nuclear Association. (n.d.). <https://world-nuclear.org/our-association/what-we-do/the-harmony-programme.aspx>

<sup>5</sup> Person, & Gardner, T. (2022, April 20). Biden administration launches \$6 BLN nuclear power credit program. Reuters. <https://www.reuters.com/world/us/biden-admin-launches-6-bln-nuclear-power-credit-program-2022-04-20/>

<sup>6</sup> OECD (2010), Comparing Nuclear Accident Risks with Those from Other Energy Sources, Nuclear Development, OECD Publishing, Paris, <https://doi.org/10.1787/9789264097995-en>.

<sup>7</sup> Team, N. M. (2022, July 6). EU taxonomy to include Nuclear Energy, recognizing its role in global decarbonization. Nuclear Energy Institute. <https://www.nei.org/news/2022/nei-statement-on-nuclear-in-eu-taxonomy>

# Royalty and Streaming 101

## BENEFITS TO INVESTORS

The Company does not operate mines, develop projects or conduct exploration. URC's business model is focused on managing and growing its portfolio of uranium royalty and other uranium interests. We believe this model has the following advantages:

- **Lower Volatility Through Diversification.** By investing in diversified uranium interests across a spectrum of geographies, mining technologies and development stages, the Company reduces its dependency on any one asset, project, location or counterparty.
- **Exposure to Uranium Price Optionality without Project Costs and Overhead.** The Company believes that its model provides exposure to any future improvements in the uranium market, while at the same time minimizing fixed operating, exploration, development and sustaining costs associated with directly owning and operating uranium projects. Additionally, as the Company's interests are non-operational, the Company is not required to satisfy cash calls in order to maintain its interests in such projects.
- **Focus and Scalability.** As the Company's directors and officers do not handle operational decisions and tasks relating to uranium projects, they are free to focus their time and energy on carrying out the Company's acquisition strategy and identifying and executing on growth opportunities. As such, URC's business model allows it to acquire and manage more uranium interests than an operating company can effectively manage.

In comparison to mining companies, exchange-traded funds, and funds that hold physical commodities, Uranium Royalty offers investors:

- Top line revenue exposure that is relatively insulated from inflating capital and operating costs.
- Free exposure to exploration and expansion upside and investments made by our Operating Royalty Counterparties (third-party operators).
- Reduced single asset risk through increased diversification.
- Lean and scalable human capital requirements support consistent and low overhead costs, leading to better cash flow margins.

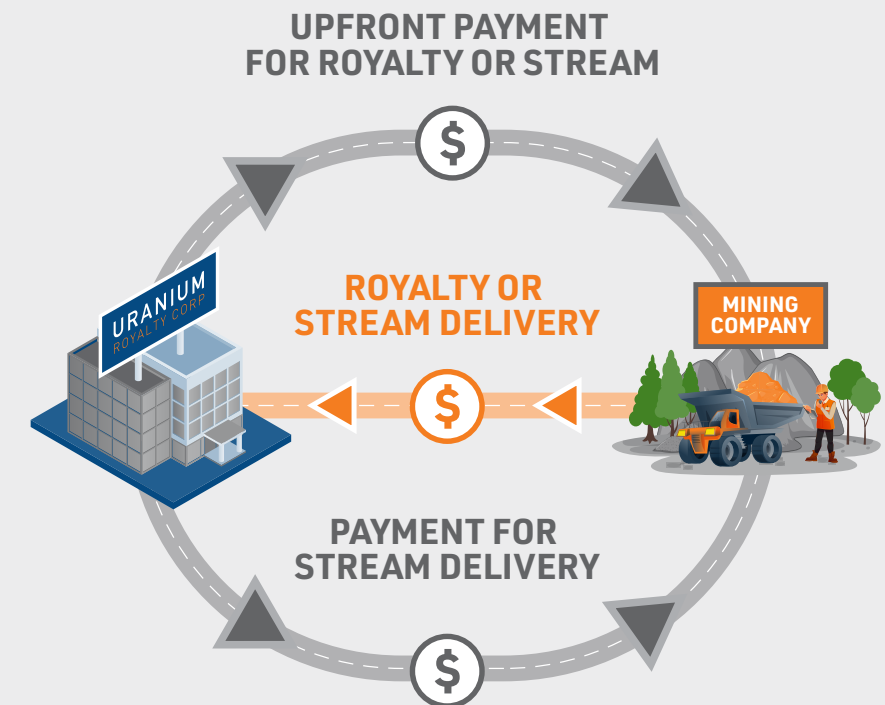
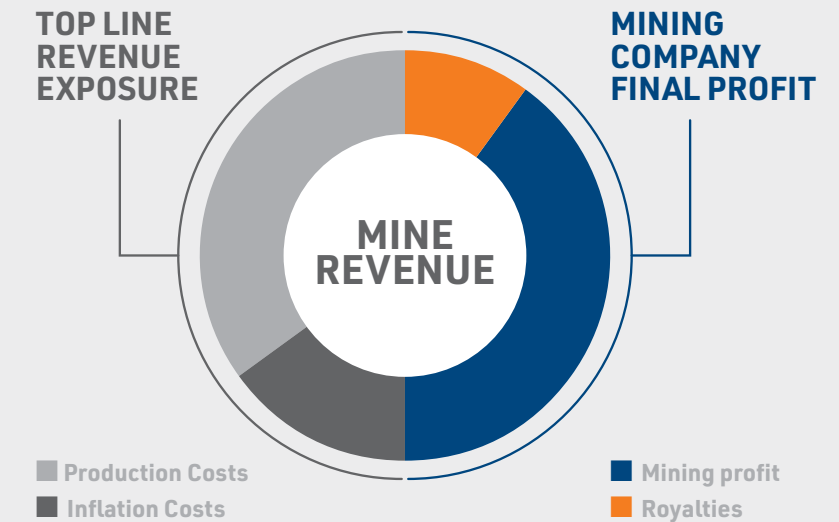
## WHAT ARE ROYALTIES AND STREAMS

A royalty is a payment to a royalty holder by a property owner or an operator of a property and is typically based on a percentage of the minerals or other products produced or the revenues or profits generated from the property. The granting of a royalty to a person usually arises as a result of paying part of the consideration payable to landowners, prospectors or junior mining companies for the purchase of their property interests, providing capital in exchange for granting a royalty, or converting a participating interest in a joint venture relationship into a royalty.

Royalties are not typically working interests in a property. Therefore, depending on the nature of the royalty interest and the laws applicable to the royalty and project, the royalty holder is generally not responsible for, and has no obligation to contribute, additional funds, including, but not limited to, operating or capital costs, or environmental or reclamation liabilities. Typically, royalty interests are established through a contract between the royalty holder and the property owner, although many jurisdictions permit the holder to also register or otherwise record evidence of a royalty interest in applicable mineral title or land registries. The unique characteristics of royalties may provide royalty holders with special commercial benefits not available to the property owner because the royalty holder may enjoy the upside potential of the property with reduced risk.

Uranium Royalty currently holds 18 interests on 20 developments, advanced, permitted and producing uranium projects in multiple jurisdictions, including royalties on the world class McArthur River and Cigar Lake mines.

Streams are distinct from royalties. They are metal purchase agreements where, in exchange for an upfront deposit and ongoing payments for metal delivered, the holder purchases all or a portion of one or more metals produced from a mine, at a pre-set price structure. Streams are well suited to co-product production, providing incentive to the operator to produce uranium on top of the more primary metals. As streams can also be used to finance a project, the stream structure may help maintain the borrowing capacity for the project. Streams can provide higher leverage to commodity price changes as a result of the fixed or indexed purchase price per pound.



# Our Approach to Sustainability



“Uranium Royalty’s commitment to sustainability is important to our business. We’re focused on financing quality, responsible mining projects that prioritize safeguarding the well-being of people, while minimizing environmental impacts and generating positive outcomes for local communities and all stakeholders.”

– Scott Melbye, CEO, Uranium Royalty Corp.

Uranium Royalty acknowledges the importance of sustainability performance for our growth, mining industry improvement, and community well-being. We understand that our actions, along with the actions of third-party operators with whom we enter agreements with, also referred to as our “Operating Royalty Counterparties,” may impact employees, local communities, and the environment. Therefore, seeking to finance operators that are adopting best practices in sustainable mining is a key element of our strategy.

As a royalty and streaming company, we do not operate mines, develop projects or conduct exploration. URC’s business model is focused on managing and growing its portfolio of uranium royalty and other uranium interests. When possible, we seek to encourage operators to adopt best practices in ESG risk management. Further, in our acquisition process, we conduct sustainability-related due diligence to determine, to the extent possible, whether our operators’ sustainability practices are aligned with our own Sustainability values.

## At Uranium Royalty, our sustainability approach is twofold, which include following:

- Our Corporate ESG Principles: Leading by example, through demonstrating our Company’s commitment to our people, communities and the environment.
- ESG in our Portfolio: Prioritizing royalty and streaming agreements with operators that clearly demonstrate and meet Uranium Royalty’s ESG due diligence standards.

## MATERIALITY ASSESSMENT








Material sustainability topics are typically associated with factors of sustainability that we believe can have a material impact on our business, either directly through its own actions or indirectly through the actions of our Operating Royalty Counterparties. In this inaugural report, Uranium Royalty has shared those material topics which were initially identified through a review and evaluation of a range of external and internal inputs, including stakeholder engagement, as part of our materiality assessment, and then prioritized by senior leadership.

	ENVIRONMENT	SOCIAL	GOVERNANCE
<b>OUR CORPORATE SUSTAINABILITY TOPICS:</b>	<ul style="list-style-type: none"> <li>• The role of nuclear in the energy transition</li> <li>• Greenhouse gas emissions of our corporate office space</li> </ul>	<ul style="list-style-type: none"> <li>• Talent development and management</li> <li>• Diversity and inclusion</li> <li>• Community investment</li> </ul>	<ul style="list-style-type: none"> <li>• ESG due diligence and investment management</li> <li>• Corporate governance and risk management</li> <li>• Cybersecurity and information systems management</li> </ul>
<b>OUR PORTFOLIO COMPANIES’ SUSTAINABILITY TOPICS:</b>	<ul style="list-style-type: none"> <li>• Environmental permitting and environmental management</li> <li>• Emissions management</li> <li>• Water management</li> <li>• Tailings and waste management</li> <li>• Biodiversity and land management</li> <li>• Radiation management</li> </ul>	<ul style="list-style-type: none"> <li>• Health &amp; safety record</li> <li>• Labor management</li> <li>• Community engagement, impact &amp; Human Rights</li> <li>• Resettlement</li> <li>• Public safety</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate governance and ethics</li> <li>• Management team experience and capabilities</li> <li>• Accounting and internal controls</li> <li>• Political stability and jurisdictional country-risk</li> </ul>

# Our Sustainability Goals

The United Nations' 17 Sustainable Development Goals ("SDGs") were developed to provide a shared blueprint for peace and prosperity for people and the planet, now and into the future. These ambitious global goals aim to end poverty, while addressing other global challenges, including spurring economic growth, empowering women and tackling climate change. While created as a guide for governments, it is essential that businesses also align their objectives to demonstrate how their actions can contribute to the achievement of global sustainable development.

Below, we outline our sustainability goals and how we are contributing to the SDGs.

TOPIC	LONG-TERM VISION	OUR ALIGNMENT TO THE SDGS	PROGRESS MADE IN FY 2023	PRIORITIES FOR FY 2024
<b>GOVERNANCE</b>	Conduct business with transparency, accountability, and integrity, and ensure the effective oversight of ESG-related risks	 	<ul style="list-style-type: none"> <li>Hired VP of ESG &amp; Sustainability</li> <li>Conducted a materiality assessment and began implementing a robust sustainability program</li> <li>Strengthened sustainability due diligence function for royalty and streaming arrangements</li> <li>Strengthened corporate risk management function</li> <li>Approved the Company's official Anti-Corruption Policy and Disclosure Policy</li> <li>100% of employees confirmed adherence with Code of Business Conduct and Ethics</li> <li>100% board attendance at six board meetings held in the fiscal year</li> <li>Achieved board diversity of 20% female and 20% under-represented ethnicities</li> </ul>	<ul style="list-style-type: none"> <li>Increase female representation on the Board</li> <li>Increase engagement with Operating Royalty Counterparties on sustainability</li> <li>Introduce training on anti-corruption</li> </ul>
<b>ENVIRONMENT AND CLIMATE CHANGE</b>	Decarbonize our operations and our portfolio, working alongside our operators.	 	<ul style="list-style-type: none"> <li>Developed agreement with property manager to work together to measure our emissions from our corporate office (Scope 1 and 2) in FY 2023</li> </ul>	<ul style="list-style-type: none"> <li>Quantify scope 1 and 2 emissions (corporate office)</li> <li>Identify opportunities to co-invest with operators on sustainability priorities</li> </ul>
<b>SOCIETY AND OUR PEOPLE</b>	Make a positive contribution to our people and our communities.	  	<ul style="list-style-type: none"> <li>Approved the Company's ESG and Sustainability Policy</li> <li>Donated approximately US\$48,000 to community programs</li> <li>Executive Management diversity: 33% female; 33% under-represented</li> </ul>	<ul style="list-style-type: none"> <li>Increase our community investments</li> </ul>

# Investment Decisions and Sustainability Due Diligence

In FY 2023, the Board approved a Sustainability Policy which outlines Uranium Royalty's commitment to sustainability. The Sustainability Policy outlines the Company's sustainability-related values and specifies the importance of acquiring interests in those projects operated by companies with a shared commitment to responsible mining practices. These values serve as a strategic decision-making guide for Uranium Royalty's due diligence approach and investment selection.

## DUE DILIGENCE

When conducting our due diligence, we seek to conduct multiple levels of review in the following general areas:

- **Technical:** Reviewing the technical aspects of the mine, geology and processing methods, including exploration data, concession boundaries, permits, reserve estimates, reconciliations, ground conditions, metallurgy, and site geography.
- **Financial and Economic:** Assessing each project to determine whether the mine can support the royalty transaction in the longer term and that it can remain economically viable.
- **ESG:** Undertaking a detailed sustainability assessment of the project, operator and surrounding context, including community engagement, security, human rights and rights of Indigenous peoples, labor, health and safety, air quality, tailings and waste, and climate risk and opportunity.
- **Legal:** Conducting legal due diligence on the operator and mine project, corporate ownership structure, outstanding and threatened litigation, compliance with laws and regulations, and permits and approvals.

While Uranium Royalty does not have direct control over operational decisions made by our Operating Royalty Counterparties, we remain exposed to sustainability risks, such as project delays or cancellations due to stakeholder resistance, health and safety concerns, or political/jurisdictional issues. Sustainability risks are present to varying degrees in all projects, but can be amplified by inadequate operations management, jurisdictional challenges, or local context. Our Sustainability due diligence assesses these risks, allowing us to understand the operator's mitigation plans. Depending on the severity and likelihood of risks, we may decline or adjust financing opportunities accordingly.

During the first stage of the sustainability due diligence process, our team conducts a desktop review of the site, mining history, operator and any ESG-related material, both publicly available and, if applicable, shared with Uranium Royalty under non-disclosure or confidentiality agreements. If a prospective project investment advances to a more definitive negotiations stage, an onsite visit is conducted which includes, among others, further sustainability-focused diligence and inspection. The aspects falling under our ESG due diligence process typically include:

ENVIRONMENT	SOCIAL	GOVERNANCE
<ul style="list-style-type: none"> <li>• Environmental Permitting and Environmental Management</li> <li>• Emissions management</li> <li>• Water management</li> <li>• Tailings and waste management</li> <li>• Biodiversity and land management</li> <li>• Radiation management</li> </ul>	<ul style="list-style-type: none"> <li>• Health &amp; safety record</li> <li>• Labor management</li> <li>• Community engagement</li> <li>• Human Rights</li> <li>• Resettlement</li> <li>• Public safety</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate governance and ethics</li> <li>• Management team experience and capabilities</li> <li>• Accounting and internal controls</li> <li>• Political stability and jurisdictional country-risk</li> </ul>

## ASSET MANAGEMENT & MONITORING

Our royalty agreements generally contain periodic reporting and payment requirements that are reviewed against operator production reports and publicly available information to ensure compliance with the terms of the agreement. We rely on our positive working relationship with our Operating Royalty Counterparties to obtain any future data we need to complete our review or understand significant changes to operations. In particular, we actively monitor the performance of operators through regular reviews of publicly available data. Where possible, we track emerging sustainability risks or concerns that may affect Operating Royalty Counterparties and the underlying assets.



"Uranium Royalty's commitment to sustainability is embedded in the Company's culture and organizational values that are fundamental to our business. As we do not directly manage the assets we take a financial interest in, it is critical that we identify sustainability-related risks of new investments through our diligence process. We seek to thoroughly evaluate all of the social and environmental factors and conduct an in-depth review of corporate responsibility and governance attached to the underlying project and operations."

– Katherine Arblaster,  
VP, ESG and Sustainability, Uranium Royalty Corp.

# Spotlight on our Operators

Our investments are tied to mining assets at various stages of the mine life cycle. While the majority of these are currently in the exploration and development stages, two royalties are tied to producing assets (McArthur River Project and Cigar Lake Project in Canada owned by Cameco Corporation (“Cameco”) and Orano, with two more assets moving into production in the next two years (Peninsula Limited’s Lance Project in Wyoming, and Paladin Energy Ltd.’s Langer Heinrich Project in Namibia). The McArthur River and Cigar Lake Projects are operated by one of North America’s premier operators, Cameco in the Athabasca Basin in Saskatchewan, Canada.



**McArthur River**  
Located in northern Saskatchewan, the McArthur River mine has an annual uranium production capacity of 18.7 million pounds U<sub>3</sub>O<sub>8</sub>.

## MCARTHUR RIVER

McArthur River/Key Lake, located in northern Saskatchewan, Canada, is one of the world’s largest high-grade uranium mine and mill. In service since 1999 and 1983 respectively, Cameco operates the International Organization for Standardization (“ISO”) 14001 certified locations, which have collectively produced 535 million lbs. using a variety of mining methods.

After being held in care and maintenance since 2018, Cameco announced plans for the operation’s gradual return to production, which was achieved on November 9, 2022.

### Royalty Overview:

- 1% Gross Overriding Royalty (“GORR”) on 9% share<sup>1</sup>.
- Owned by a joint venture between Cameco (69.805%) and Orano (30.195%).
- Along with the Key Lake Mill, licensed to produce 25 million pounds (“Mlbs”) per year.
- Historical production of 326.5 Mlbs<sup>2</sup> since it went into production in 1999.
- Mine restarted production in calendar year 2022, producing 1.1 Mlbs of U<sub>3</sub>O<sub>8</sub> on a 100% basis over the last quarter.
- Planned production of 15.0 Mlbs U<sub>3</sub>O<sub>8</sub><sup>3</sup> in calendar year 2023 on a 100% basis.
- Q1 of calendar year 2023 Production of 3.4 Mlbs on a 100% basis.

For further information regarding the project, please refer to the technical report titled “McArthur River Operation, Northern Saskatchewan, Canada, National Instrument 43-101 Technical Report”, with an effective date of December 31, 2018, prepared for Cameco, Cameco’s Annual Information Form for the year ended December 31, 2022, and Cameco’s other public disclosures, copies of which are available under its profile on SEDAR+.

## CIGAR LAKE/WATERBURY

Cigar Lake is one of the world’s highest-grade uranium mines and is located in northern Saskatchewan, Canada. Since commissioning in 2014, the site has produced a total of 105 million pounds (100% basis). Commercial operations began in May 2015. As the operator, Cameco developed an innovative jet-boring technique specifically for this challenging deposit. Cigar Lake’s ore is processed 70 km northeast, at the McClean Lake mill, operated by Orano.

### Royalty Overview:

- Sliding scale 10-20% Net Profits Interest (“NPI”) on 3.75% share from Orano’s 40.453% production interest.
- Joint Venture partners are Cameco (54.547%), Orano (40.453%), and Tokyo Electric Power Company Resources Inc. (5%).
- Licensed to produce 18 Mlbs per year.
- Historical production of 123.0 Mlbs as of December 31, 2022.
- Total production in 2022 of 18.0 Mlbs on a 100% basis.
- Operation expected by Cameco to produce 18.0 Mlbs of U<sub>3</sub>O<sub>8</sub> in calendar year 2023 on a 100% basis.
- Disclosed Q1 of calendar year 2023 Production of 3.8 Mlbs on a 100% basis.



**Cigar Lake**  
Located in northern Saskatchewan, Cigar Lake is the world’s largest undeveloped uranium deposit.

<sup>1</sup> The royalty acquired by Uranium Royalty does not apply to the entirety of the project area but covers 100% of the reserves and resources attributed to the McArthur River project.

<sup>2</sup> As of Dec 31, 2022

<sup>3</sup> U<sub>3</sub>O<sub>8</sub>, also known as, triuranium octoxide is a compound of uranium. It is one of the more popular forms of yellowcake and is shipped between mills and refineries in this form.

# Sustainability highlights:

## SAFETY:

- Cameco manages the safety of their workers through programs, systems, and standards, with their Safety, Health, Environment and Quality Policy providing overarching guidance. There are many aspects of the management system that contribute to a safe work environment, including regular risk assessments to identify issues and determine appropriate controls, corporate safety standards to help protect workers from the most common hazards, and routine audits.
- Formal radiation protection programs are in place with dedicated personnel who ensure that doses to workers are as low as reasonably achievable.



**Cigar Lake**  
At Cigar Lake, the innovative jetboring mining method loosens the ore with jets of high-pressure water.

## ENVIRONMENTAL MANAGEMENT:

- Aligned with industry best practice, an ISO 14001-certified environmental management system is in-place, supported by a corporate Environmental Management Program that outlines the operating requirements for the site. Cameco's environmental management system encourages and promotes continuous adaptation of their practices based on new information and technologies.
- Cameco's environmental management system is audited by a third-party every three years as a requirement to maintain ISO 14001 certification.
- Comprehensive monitoring programs are in place to help ensure that the surrounding environment is protected. Samples of water, air, soil, plants, and fish are collected from numerous locations around the sites and tested to confirm that environmental protection systems are effective. Monitoring results are submitted to federal and provincial regulatory authorities for review. Cameco also supports independent regional monitoring downstream of its Saskatchewan operations to ensure there are no cumulative effects on the regional watershed. The extensive monitoring undertaken at McArthur River and Cigar Lake has identified no significant impact on the surrounding environment.

## TAILINGS MANAGEMENT:

- Tailings, or what remains of the ore after the uranium has been removed at the Key Lake mill, is placed in the Deilmann tailings management facility. Commissioned in 1996, the facility is built into the mined out Deilmann pit and is designed to safely contain the tailings during continuing operations and after decommissioning.

## COMMUNITY ENGAGEMENT AND INVESTMENT:

- Cameco believes Indigenous Peoples and local communities should benefit from resource development on or near their communities or traditional lands, through employment, training, business opportunities, community investment, and environmental stewardship. Cameco has a long history of working collaboratively with Indigenous Peoples and local communities, exemplified by the long-term relationships and numerous mutually beneficial agreements they have with Indigenous Peoples in Canada and Australia.
- Cameco's mines, including McArthur River and Cigar Lake are located on traditional territory and therefore, the organization has formal collaboration agreements in place with these local Indigenous communities. Cameco works with more than 17 Indigenous communities around their sites and receive support by the five community liaisons of Black Lake First Nation, Fond du Lac First Nation, Hatchet Lake First Nation, English River First Nation and Pinehouse.
- Cameco, in 2021, donated funds for construction of a cultural cabin in northern Saskatchewan, which the English River First Nation community uses to host elders' camps, student camps, as a land base for caribou hunts, and for other activities that support a traditional way of life.
- Cameco has supported local capacity building through developing courses that help increase employability in the region. In 2022, the organization committed to provide three-month work placements to some of the course graduates at their mine sites.
- Cameco's public polling data shows strong support for their activity in Northern Saskatchewan with 78% support in 2021.

For further information regarding the project, please refer to the technical report titled "Cigar Lake Operation, Northern Saskatchewan, Canada, National Instrument 43-101 Technical Report", with an effective date of 2015, prepared for Cameco, Cameco's Annual Information Form for the year ended December 31, 2022, and Cameco's other public disclosures, copies of which are available under Cameco's profile on SEDAR. Read more about Cameco's approach to sustainability on their website at <https://www.cameco.com/about/sustainability>.



# Governance

Uranium Royalty is committed to high standards of corporate governance with a set of rules, processes and practices that seek to prioritize sustainability in our business and ensure business is conducted with transparency, accountability, and integrity.

## FY23 Achievement highlights:



Hired VP of ESG & Sustainability



Conducted a materiality assessment and began implementing a robust sustainability program



Strengthened sustainability due diligence function for royalty and streaming arrangements



Strengthened corporate risk management function



Approved the Company's Anti-Corruption Policy and Corporate Disclosure Policy



100% employee confirmed adherence to with Code of Business Conduct and Ethics

100

100% board attendance at six board meetings held in the fiscal year



Achieved board diversity of 20% female and 20% under-represented ethnicities

## BOARD OF DIRECTORS

The Board is responsible for the practice of good corporate governance at the Company, driving business success and building shareholder value. The primary role of the Board and its committees is to provide guidance and strategic oversight to management, to ensure Uranium Royalty's business is conducted ethically and to manage company risk. This includes oversight of corporate strategy, enterprise risks and ESG-related policies and practices.

In FY 2023, the Board consisted of five directors, three of whom are independent. 20% of the Board identifies as female and 20% identify as being from a diverse background.

### Board statistics:

Code of Business Conduct and Ethics for Directors, Officers, and Employees:

**Yes**

Cumulative years of experience:

**135**

Size of board:

**5**

Independent Directors:

**3**

Separate Chair and CEO:

**Yes**

In FY 2024, the Board aims to increase its female representation.

Board meetings held in FY 2023:

**6**

Meeting attendance:

**100%**

Annual election of Directors:

**Yes**

Women on Board:

**1 or 20%**

Diverse representation on Board:

**1 or 20%**

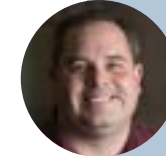
## MANAGEMENT TEAM



**Scott Melbye**  
Chief Executive Officer,  
President and Director



**Josephine Man**  
Chief Financial Officer



**Darcy Hirsekorn**  
Chief Technical Officer



**Yong-Jae Kim**  
General Counsel

## BOARD



**Amir Adnani**  
Chairman, Director



**Vina Patel**  
Lead Independent Director



**Neil Gregson**  
Director



**John Griffith**  
Director

## BOARD COMMITTEES

The Board has three standing committees: the Audit Committee, the Nominating and Corporate Governance Committee, and the Compensation Committee. In FY 2023, these committees consisted of 100% independent directors.

The Board's Nominating and Corporate Governance Committee identifies and recommends to the Board qualified candidates for Board membership, recommends the members and Chairperson for each Board committee, and periodically reviews and assesses the Company's corporate governance principles, making recommendations accordingly. The Committee is responsible for evaluating the size, composition, membership qualifications, scope of authority, responsibilities, reporting obligations and charters of each of the Board's committees.

The Committee helps to ensure appropriate governance, as well as aiding in our Board achieving its diversity goals.

Finally, the Committee also monitors any conflicts of interest on the Board, through disallowing interlocking directorships. Interlocking directorships are deemed to occur if a senior executive officer of the Company serves on the board of or as a trustee of a company or institution that employs one or more directors (i.e., reciprocal directorships).

The Nominating and Corporate Governance Committee met four times in FY 2023, with 100% attendance.

The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls, to achieve the objectives of safeguarding of corporate assets, reliability of information, and compliance with policies and laws. The committee comprises directors who meet financial literacy requirements of applicable Canadian and United States securities laws. It meets at least quarterly and as many times as necessary.

The Audit Committee met three times in FY 2023, with 100% attendance. The Compensation Committee is responsible for matters relating to the compensation of the Company's Directors and Officers. The Committee has overall responsibility for approving and/or making recommendations on, and evaluating, the directors' and officers' compensation plans, policies, and programs of the Company. The Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company's management information circular or similar filings with applicable regulatory authorities.

The Compensation Committee met three times in FY 2023, with 100% attendance.

## RISK MANAGEMENT

In FY 2023, the Company formalized its enterprise risk management ("ERM") process designed to identify and monitor significant risks that may impact our business, strategic goals, and objectives. Our ERM process is based on best practices for corporate governance and risk management. Our ERM process applies to all risks facing the Company, including strategic, operational, financial, legal and sustainability. On a quarterly basis, management meets to identify, assess, diagnose, and determine mitigating actions for corporate risks. Top risks are reviewed with the Board on a periodic basis.

## SUSTAINABILITY GOVERNANCE

Uranium Royalty adheres to high standards of governance by integrating sustainability into its business and conducting its affairs with accountability, transparency, and integrity. Uranium Royalty's governance practices surrounding sustainability are designed to grow our business, help ensure proper conduct of our affairs, and promote the interests of our stakeholders.

The Company's Sustainability Policy, approved by the Board in FY 2023, outlines the values of strong environmental, social and governance management. As the Company does not operate mineral properties directly, we recognize the necessity of acquiring interests in projects operated by companies that share our commitment to responsible mining practices. The policy is designed to ensure that sustainability-related risks and opportunities facing the Company and our third-party operators where we're taking an underlying interest will be assessed appropriately as part of our overall investment and risk management processes. Please refer to the Investment Decisions and Sustainability Due Diligence section on page 14 of this report for a full description as to how the Company manages sustainability-related risks of underlying interests.

The Board has primary responsibility for overseeing sustainability-related topics. The Board provides oversight over our relevant goals, reviews progress against these goals and reviews relevant disclosures. The Board also oversees the Company's commitment to sustainability as outlined in the Sustainability Policy. In addition, the Board reviews management's assessment of sustainability risks relating to Operating Royalty Counterparties with updates on policies, regulations, and trends, as well as the identification of risks and opportunities for opportunities and existing interests.

With oversight from the Board, Uranium Royalty's Executive Team is responsible for the design and implementation of the Sustainability Policy and sustainability strategy. In FY 2023, a VP, ESG and Sustainability was

appointed, reporting directly to the CEO, with overall responsibility for sustainability strategy and related disclosures, as well as internal reporting of performance, risks and opportunities to the Board and relevant committees. In addition, other executive team members have responsibility for ESG integration within their respective business functions, such as within corporate development and sustainability due diligence of new transactions, or in the case of enterprise risk management issues that fall under the Chief Financial Officer.

The Board and Executive Team believe strongly in the importance of advancing responsible mining practices. We also recognize the influential role Uranium Royalty can play as an investor in the mining space in promoting sustainability as a critical factor in the Company's business growth. Our commitments are a key tool to help ensure the strength of our portfolio and quality of our investments.

Building on this foundation, in FY 2023, the Company developed a strategy focused on short-term, foundational actions, and medium- and long-term goals for the organization. This first year marked the beginning of an evolutionary process, which will continue to grow with more initiatives to bring sustainable development more strongly into the business framework.

Read more on our corporate governance practices on our website <https://www.uraniumroyalty.com/company/corporate-governance/>.



**Key Lake**  
Located in northern Saskatchewan, Key Lake is the world's largest high-grade uranium milling

## BOARD OF DIRECTORS

Provides guidance and strategic oversight to management | Provides oversight of corporate risk | Reviews ESG-related risks | Reviews sustainability goals, strategies, and disclosures



### CORPORATE STRATEGIC PLANNING

Executive & Management Team

Comprehensive strategic planning, including ESG objectives



### CORPORATE DEVELOPMENT & ASSET MANAGEMENT

Executive Management Team, Corp Dev't & ESG Team

Reviews, evaluates and monitors deals and portfolio companies considering financial, technical and ESG perspectives



### RISK MANAGEMENT

Executive Management Team & Finance Team

Considers present and potential risks, including ESG related risks

## BUSINESS ETHICS

Uranium Royalty is committed to the highest ethical standards for conducting its business. The Company's Code of Business Conduct and Ethics (the "Code") establishes standards across the organization for honest and ethical conduct, avoidance of conflicts of interest, and enforces compliance with disclosure to securities regulators and applicable government laws, fostering a culture of integrity. The Code also contains provisions related to anti-bribery and anti-corruption behavior and is further supported by the Company's Anti-Corruption Policy that offers guidance for all persons acting on its behalf. **As of April 30, 2023, 100% of employees have reviewed and confirmed their adherence to the Code. There were no reported violations in FY 2023.**

## WHISTLEBLOWER POLICY

Uranium Royalty has a Whistleblower Policy in place. It provides a formal framework that allows employees to report any violations of the Code anonymously and confidentially, or those who have concerns or complaints about the accuracy, fairness, or appropriateness of any of the Company's financial reporting or disclosure. Uranium Royalty encourages employees to report any situation that appears to involve any breach of the Code, or ethical or legal obligations. **In FY 2023, no whistleblower reports were received.**

## CYBERSECURITY

In 2022, Uranium Royalty strengthened its cybersecurity system by implementing new controls. Examples of upgraded systems include centralization of data on company servers to ensure visibility and that redundancies are in place in the event of an attack. Also, an automated AI-drive anti-ransomware monitoring service has been deployed on production servers to act when needed.

In FY 2023, Uranium Royalty sustained no breach of data or infrastructure due to viruses or damage to hardware, business interruptions as a result of cyberattack, losses due to wire transfer fraud, telecommunication fraud, phishing fraud or major unscheduled downtime caused by IT infrastructure.

# Environment

Uranium Royalty is committed to protecting the environment and mitigating our impact to preserve our planet for future generations. Our strategic goal is to conduct business enabling us to minimize our direct and indirect impacts on the environment and to work cooperatively with our Operating Royalty Counterparties to promote sustainability and manage environmental issues responsibly. The Company's investments are associated with a diversity of premier mining assets around the world at different stages of their lifecycle – exploration, development, and production – with the goal of growing a balanced portfolio to generate attractive returns for investors.

## FY 2023 Achievement highlights:



**Developed agreement** with property manager to work together to **measure our emissions from our corporate office** (Scope 1 and 2) in calendar year 2023



## CLIMATE CHANGE

Uranium Royalty recognizes the urgency of immediate action on climate change. Through our direct business model of providing needed capital to uranium mining companies through a royalty, stream, or other financing mechanism, we are fueling a cleaner tomorrow and accelerating the energy transition. Governments and private sector require access to carbon-free energy sources to reach a net-zero future. In a low-carbon economy, we recognize that the worldwide demand for electricity will skyrocket as citizens move away from fossil fuels and become more reliant on carbon-free electricity. Governments continue to turn to nuclear energy as a crucial source of carbon-free electricity and a key part of the net-zero future.

In FY 2023, the Company implemented its Sustainability Policy. The Board and management understand that our actions, and those of our Operating Royalty Counterparties, have a tangible impact on climate change through the carbon footprint of our direct business and the impact of assets in our portfolio.

Uranium Royalty recognizes that our carbon footprint is small in comparison to the mining activities of our Operating Royalty Counterparties. As we strive to maintain a lean organization structure, we have a small office space in Vancouver. This small office space allows us to keep our direct carbon footprint small. Further, flexible work arrangement of working from home are available. This further reduces emissions as it decreases the amount of travel required by our people to the office.

We strive to accurately measure our scope 1 and 2 emissions from our office locations. Therefore, in calendar year 2023, we have committed to a working partnership with the property manager at our corporate office to measure these direct emissions associated with our usage. We are also exploring opportunities to pilot waste reduction and energy efficiency programs that will expand our progress.

As a royalty and streaming company, we understand our impact on climate change extends to our portfolio as the indirect emissions of the mining assets for which we have an underlying interests, also known as our financed emissions. As a young company, we have not yet had the opportunity to measure the impact of climate risk on our portfolio nor our financed emissions. However, in the coming years, the Company will aim to gain a better understanding of our climate risk and financed emissions within the portfolio.

As part of our due diligence, we evaluate the maturity of a prospective mining operator in their management of climate risk, including their emissions measurement, setting of science-based targets (“SBT”), and emissions-reduction performance. Uranium Royalty looks favorably on those operators who proactively manage and reduce their emissions that are aligned with SBT initiatives and similar programs.

# Social

Our Company is dedicated to making a difference to the lives of all our people and partners by contributing positively to the environment and enhancing the social and economic fabric of their communities through sustainable investments in their well-being over the long term.

## FY 2023 Achievement highlights:



Approved the Company's Sustainability Policy.



Donated approximately \$48,000 to community programs.



Executive Management diversity: 33% female; 33% ethnically diverse.

## OUR EMPLOYEES

Uranium Royalty, with headquarters in Vancouver, has a total of 13 employees. We have a highly experienced team, bringing together reputable industry leaders across geology, mining, finance, uranium sales and trading, operations, legal and sustainability expertise. The Company is committed to retaining a skilled and engaged workforce and investing in the skills of its employees.

At Uranium Royalty, we believe in building our employees' skills and capabilities, and ensuring they have opportunities to grow within the Company. We prioritize our team's growth and development by supporting access to professional learning, development, and networking opportunities. We are proud of our investment in professional development initiatives to help employees upgrade their skills, allowing them to make a greater contribution to our business and to enhance their working lives.

## DIVERSITY AND INCLUSION

The Company is committed to employing and engaging a diverse workforce and creating a safe and healthy work environment. As an equal opportunity employer, all employees, officers, and directors are treated with equality, without regard to race, color, religion, gender and gender identity, sex, sexual orientation, family or marital status, political belief, age, national or ethnic origin, citizenship, physical or mental disability and any other protected ground.

By fostering an environment of diversity, Uranium Royalty bolsters its business effectiveness by broadening the scope of its experiences, skills, talents, and knowledge. We value the role of diversity in all aspects of employment and engagement, including selection, recruitment, hiring, promotion, compensation, training, and development.

At the end of FY 2023, our diversity was:



Executive Management diversity:  
33% female;  
33% ethnically diverse



Non-executive management:  
33% female;  
33% ethnically diverse



All other employees:  
50% female;  
88% ethnically diverse

## SUPPORTING OUR COMMUNITIES

Supporting the communities where we live and work, as well as those surrounding our Operating Royalty Counterparties, is important to Uranium Royalty. We believe in contributing to the social and economic fabric of our communities and protecting the environment by making responsible and sustainable investments.

Through our donations, which approximate US\$48,000 in FY 2023, the Company supported a variety of organizations, including the Barbara Judge Fellowship, One Drop Foundation, and Union Gospel Mission. These organizations are highlighted below.

**One Drop:** We supported One Drop, a foundation aiming to ensure the sustainable access to safe water, sanitation and hygiene for communities facing extreme barriers through innovative partnerships, creativity, and the power of art, while contributing to climate action. Water has the power to transform people's lives, by reducing health risks in their living conditions, and by broadening economic opportunities for vulnerable communities. One Drop's projects will soon have improved the living conditions of more than 2.7 million people worldwide.

**Union Gospel Mission ("UGM"):** We supported UGM to support those struggling with homelessness in the Vancouver area, the home of our head office. Across Metro Vancouver and the Fraser Valley, more people than ever are facing poverty, being pushed into homelessness, and experiencing addiction. UGM's continuum of care includes a comprehensive range of programs and services that lovingly journey with people as they rebuild their lives.

**Barbara Judge Fellowship, Penn State University:** Barbara Judge is known for her many professional and personal accomplishments. She was an American-British lawyer and businesswoman. She was the youngest person, and only the second woman, to become a commissioner of the Securities and Exchange Commission and was the first female chair of Britain's Atomic Energy Agency. She championed the advancement of women in business and has been known for shattering many glass ceilings. Uranium Royalty has donated to a scholarship fund in her name at Penn State University, where she earned her Business degree.

# Accelerating Innovation in Nuclear Energy

A Q&A with CEO and President, Scott Melbye



*Scott Melbye, a 40-year veteran of the nuclear energy industry, is the President and CEO of Uranium Royalty Corp, the world's only uranium-focused royalty and streaming company. Scott also serves as President of the Uranium Producers of America and a past Chair of the Board of Governors of the World Nuclear Fuel Market. He received a Bachelor of Science in Business Administration, with specialization in International Business, from Arizona State University in 1984.*

*As an Advisor to the Nuclear Engineering Program at the Colorado School of Mines, Scott has been convening leaders across academia, business, and the public sector to raise awareness about small modular reactors ("SMRs") as a needed solution for the energy transition to accelerate the growth of the sector. Here he answers some common questions about the technology.*

SMRs are advanced nuclear reactors that have a power capacity of up to 500 megawatt ("MW") per unit, which is about one-third of the generating capacity of traditional nuclear reactors. Due to their size, design, and scalability, SMRs have the opportunity to accelerate nuclear adoption on existing grids, and electrify off-grid communities, providing reliable, carbon-free energy.

Currently there are roughly 50 SMRs in various stages of development around the globe, according to the International Atomic Energy Agency, including four in the advanced stages of construction in Argentina, China, and Russia. In the United States, the Department of Energy, through the Advanced Reactor Development Program, is supporting the rapid development of SMR's in the states of Wyoming, Idaho, and Texas, for start-up in the second half of this decade. According to a 2022 Nuclear Energy Institute survey of American utility executives, more than 300 SMRs, supplying roughly 90 gigawatts of power, are expected to be built and active in the U.S. by 2050.<sup>1</sup> Canada hopes to have its first of four commercial SMR operating at Darlington, Ontario within six years, with significant investment from the Federal government.

## Let's start with some basics. How much power do SMRs typically provide compared to large-scale nuclear reactors?

The beauty of SMRs is they are flexible and scalable. SMR units can be as small as 2 MW (micro-reactor) and as large as 500 MW, but they generally range between 50 and 200 MW. Full-sized nuclear reactors have a generating capacity of between 1000 and 1600 MW of electricity. A 300MW SMR could generate enough electricity to power approximately 230,000 homes a year. A traditional nuclear plant would power three times this amount. Nuclear power currently provides 20% of America's electrical energy needs from 93 reactors and comprises over 50% U.S. carbon-free energy.

## What are some of the benefits of SMRs?

SMRs help to address some of the traditional challenges facing the nuclear industry, such as upfront costs, construction time, and overall scalability of the technology. SMRs – as their name asserts – are modular, so as your energy needs grow, you can increase capacity by adding sequential units. SMRs also take considerably less time to bring online. To put it in perspective, building a large, 1600 MW nuclear reactor is like building an airport for a large city. It's a major infrastructure project, a multibillion-dollar investment that takes years to plan, construct, permit, and license. Further, standardization can produce economies of scale. SMRs can be deployed more quickly and for less money. As it says in their name, they are modular – they're built in a factory and shipped to the site, so you don't have the onsite construction issues. Many designs also possess load-following characteristics, or heat storage, which means that they can co-exist effectively on grids that are already heavily dependent on intermittent renewables, like wind and solar.

One comparison estimated the cost of an SMR at roughly \$303 million, compared to a 1,100-plus MW plant estimated at \$5.5 billion.

<sup>1</sup> Derr, E. (2022, July 29). Studies and models show advanced nuclear as the backbone of our carbon-free future. Nuclear Energy Institute. <https://www.nei.org/news/2022/studies-and-models-show-demand-for-adv-nuclear>

## What about safety - how safe are SMRs?

Due to the nature of the nuclear industry, we have an understandable focus on prioritizing the health and safety of the public and our employees. Safety is of the utmost importance in the nuclear field, and has been built into the industry's DNA over decades through a proactive safety culture, heavy regulation and operating experience, building best practices. Nuclear plants have become the safest and most secure facilities in the industrial world. This health and safety mindset has only intensified as the industry has innovated, building further safety enhancements into the design of SMRs.

Many SMR designs are simpler, benefitting from modern materials and controls and can rely on passive safety systems. This means that some SMRs are able to moderate themselves or even detect an issue and shut down without any human intervention (also known as "walk-away safe"). These increased safety margins, in many cases, eliminate or significantly lower the potential for unsafe releases of radioactivity to the environment and the public in the event of an accident.

## How do you see SMRs tying in with the decarbonization of the mining industry?

Mining companies, like many of the operators we work with, are moving towards a decarbonized footprint for their operations. For safety and economic reasons, you can't have operations impacted by frequent outages that can come with intermittent power sources. Plus, mines are often in isolated locations, where electricity is expensive. Therefore, mine sites have the potential to invest in micro-reactors, or as a group of co-located mine sites in a larger SMR, to provide reliable, safe and carbon free power. Poland's major copper producer, Kombinat Górniczo-Hutniczy Miedzi, have applied to the regulatory authorities to build a NuScale SMR to provide not only the carbon-free label to their copper products, but also reliable 24/7 energy to power their smelter operations.

## What other types of industries, uses, and locations are suited for SMRs?

The opportunities and use cases are endless. Anywhere you need carbon-free, reliable power, an SMR could be deployed. SMR's used to be thought of as a solution to power remote communities. However, now, there is a realization that SMRs can also fit into established grids to provide consistent energy to balance the intermittency of wind and solar, contributing in a major way towards carbon-reduction goals of cities and state and provincial governments. Besides the obvious mining industry applications, SMR's are being targeted for reliable, carbon-free energy for data centers, crypto-mining, hydrogen production, petrochemical facilities, and sea water desalinization. Additionally, companies, like Core Power, are advancing the exciting goal of decarbonizing the global shipping industry, following the very successful model of the U.S. Naval Nuclear Propulsion Program.



# Sustainability Metrics

SASB's Sustainable Industry Classification System does not currently include an industry for metals royalty or streaming. In line with SASB guidance, the "Asset Management and Custody Activities" Standards has been leveraged to report on the topics that are financially material to URC's business. Disclosures that are not included below were omitted based on the lack of applicability.

SASB TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASUREMENT	SASB CODE	URANIUM ROYALTY RESPONSE
Transparent Information & Fair Advice for Customers	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Quantitative	Number, Percentage (%)	FN-AC-270a.1	0; 0% Uranium Royalty does not have traditional customers, but rather has Operating Royalty Counterparties which hold a project underlying the Company's royalty. Uranium Royalty acts as a steward, making responsible investment decisions for our shareholders through thorough financial, technical and ESG due diligence on all investment decisions.
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers	Quantitative	Reporting	FN-AC-270a.1	0\$ There have been no losses due to a result of legal proceedings as stated.
	Description of approach to informing customers about products and services	Discussion and Analysis	N/A	FN-AC-270a.3	Uranium Royalty communicates with investors through press releases, annual reporting and filings under SEC regulation, and information posted on our website, including through this annual sustainability report. Further to this, we communicate directly with the mining community to communicate our financial offerings of royalty and streaming products.
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Quantitative	Percentage (%)	FN-AC-330a.1	(1) Executive Management diversity: 33% female; 33% ethnically diverse (2) Non-executive management diversity: 33% female; 33% ethnically diverse (3) Professionals - N/A (4) All other employee diversity: 50% female; 88% ethnically diverse
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	Quantitative	Reporting currency	FN-AC-410a.1	0\$; 2. 0\$; 3. 100% of transactions  All transactions undergo a thorough ESG review, where, if due diligence uncover ESG risks that management feel put the underlying operator or asset at risk, will be rejected.
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	Discussion and Analysis	N/A	FN-AC-410a.2	See "Investment Decisions and ESG Due Diligence" Section of this report.
	Description of proxy voting and investee engagement policies and procedures	Discussion and Analysis	N/A	FN-AC-410a.3	Not applicable.
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	Reporting	FN-AC-270a.1	\$0
	Description of whistleblower policies and procedures	Discussion	FN-AC-510a.1	\$0	0\$ There have been no losses due to a result of legal proceedings as stated.
	and Analysis	N/A	FN-AC-510a.2	FN-AC-270a.3	Uranium Royalty has a Whistleblower Policy in place. It provides a framework that allows employees to report any violations of the Code anonymously and confidentially, or those who have concerns or complaints about the accuracy, fairness, or appropriateness of any of the Company's financial reporting or disclosure. Uranium Royalty encourages employees to report any situation that appears to involve a breach of the Code, or any ethical or legal obligations. In FY 2023, no whistleblower reports were received.



# Additional Information

## FORWARD-LOOKING INFORMATION

The information contained in this Sustainability Report includes “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and “forward-looking information” within the meaning of applicable Canadian securities legislation (collectively, “forward-looking information”). Forward-looking information includes, but is not limited to, statements with respect to the activities, events or developments that the Company expects or anticipates will or may occur in the future, including those regarding the strategies, plans and future commitments of the Company, the operators of the projects underlying its interests, the expected benefits of the Company’s strategies, expectations regarding uranium markets and demand generally and expectations regarding its future growth. Forward-looking information are based on the then current expectations, beliefs, assumptions, estimates and forecasts about the Company’s business and the industry and markets in which it operates. Forward-looking information are made based upon numerous assumptions and although the assumptions made by the Company in providing forward-looking information are considered reasonable by management at the time, there can be no assurance that such assumptions will prove to be accurate. Forward-looking information also involves known and unknown risks and uncertainties and other factors, which may cause actual results, performances and achievements of the Company or the operators of the projects underlying to differ materially from any projections of results, performances and achievements of the Company, including, without limitation, any inability of the Company’s or the operators of the projects underlying its interest to progress or execute plans, the Company’s ability to obtain necessary financing, risks faced by the operators of the projects underlying its interests, any inability of the operators of the properties underlying its interests to execute proposed plans or achieve targets, the influence of macroeconomic developments and the ability of the Company to carry out its growth plans and other factors set forth in the Company’s most recent Annual Information Form and its other publicly filed documents under its profiles at [www.sedarplus.ca](http://www.sedarplus.ca) and [www.sec.gov](http://www.sec.gov). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information or implied by forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to update or reissue forward-looking information as a result of new information or events except as required by applicable securities laws.

## NOTICE TO READERS

Disclosure relating to projects in which the Company holds royalty or other interests is based on information publicly disclosed by the owners or operators of such properties. The Company generally has limited or no access to the projects underlying its interests and is largely dependent on the disclosure of the operators of its interests and other publicly available information. The Company generally has limited or no ability to verify such information. Although the Company does not have any knowledge that such information may not be accurate, there can be no assurance that such third-party information is complete or accurate.

In addition, certain information publicly reported by operators may relate to a larger property than the area covered by the Company’s interest, which often may only apply to a portion of the overall project area or applicable mineral resources or reserves. Readers should also refer to our most recent Annual Information Form and other public disclosures available under our profile at [www.sedarplus.ca](http://www.sedarplus.ca) and [www.sec.gov](http://www.sec.gov) for important information regarding our assets and operations.

This Sustainability Report complements, but does not form part of, such documents. This Sustainability Report has not been prepared in connection with the sale of securities, is not an offering memorandum and should not be relied upon as such. This Sustainability Report does not constitute an offer to sell or a solicitation for an offer to purchase any security in any jurisdiction. Inclusion of information in this report is not an indication that the contents are necessarily material to investors or required to be disclosed in continuous disclosure documents required to be filed under applicable securities laws.

**URANIUM**  
ROYALTY CORP

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