Uranium Participation Corporation

MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED
AUGUST 31, 2020

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This Management's Discussion and Analysis ('MD&A') of Uranium Participation Corporation and its subsidiaries (collectively, 'UPC' or the 'Corporation') provides a detailed analysis of the Corporation's business and compares its financial condition and results of operations to those of the previous year. This MD&A is dated as of September 24, 2020 and should be read in conjunction with the Corporation's unaudited condensed interim consolidated financial statements and related notes for the three and six months ended August 31, 2020.

The unaudited condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'), applicable to the preparation of the interim financial statements, including International Accounting Standards ('IAS') 34, *Interim Financial Reporting*. Readers are also encouraged to consult the audited consolidated financial statements and the MD&A for the year ended February 29, 2020. All dollar amounts are expressed in Canadian dollars, unless otherwise noted. All uranium prices are based on prices published by UxC LLC ('UxC'). For all references to the net asset value ('NAV'), please refer to the 'Non-IFRS Financial Performance Measures' section.

ABOUT URANIUM PARTICIPATION CORPORATION

The Corporation invests substantially all of its assets in uranium, either in the form of uranium oxide in concentrates ('U_3O_8') or uranium hexafluoride ('UF_6') (collectively 'uranium'), with the primary investment objective of achieving appreciation in the value of its uranium holdings through increases in the uranium price. Denison Mines Inc. (the 'Manager'), under the direction of UPC's Board of Directors, provides general administration and management services to the Corporation. The common shares of UPC are listed and trade on the Toronto Stock Exchange ('TSX') under the symbol 'U'.

URANIUM INDUSTRY OVERVIEW

The uranium price started the second quarter at US$34.00 per pound U_3O_8 and softened through the period. While the price remained relatively flat in June and July, trending between USD$32.00 and USD$33.50 per pound of U_3O_8, buying weakened as the end of July approached and on July 29, 2020 Cameco Corp. ('Cameco') announced that it would reopen its Cigar Lake mine in September 2020. Production from the Cigar Lake mine was temporarily suspended in March 2020 due to the COVID-19 pandemic. The market understood that the restart of the mine would be driven by commercial factors. Accordingly, the restart news surprised many market participants and moving into August, the uranium price slowly fell from US$32.20 at the beginning of the month, to US$30.65 by month-end. While spot market purchasing in the quarter did remain strong relative to previous years, it has dipped significantly from the preceding quarter's volumes.

Earlier in July, National Atomic Company Kazatomprom ('Kazatomprom') indicated that it would extend the period of reduced operational activity at its mines, from the originally disclosed period of three months to four months. At that time, Kazatomprom anticipated gradually increasing staff levels, and production, at the beginning of August 2020, if it was deemed safe to do. Subsequent to that announcement, in August 2020, Kazatomprom announced that it would maintain its 20% production decrease from previously planned levels through calendar year 2022, with no additional production planned to replace volumes lost in 2020 due to the COVID-19-related reduction in operations. In addition, in August 2020, Kazatomprom also publicly confirmed that it has bought uranium in the spot market and may continue to do so through the rest of the calendar year. This buying activity has helped to stabilize general market sentiment.

Through the second quarter, the US Department of Commerce ('DOC') continued its negotiations with the Russian government and other interested parties on the Agreement Suspending the Antidumping Investigation on Uranium from the Russian Federation (also known as the Russian Suspension Agreement or the 'RSA'). The RSA established an annual quota, limiting the delivery of nuclear fuel into the US from Russia. This agreement is set to expire at the end of 2020. In September 2020, a draft amendment was announced that would extend the RSA until 2040 and reduce US reliance on uranium products over the next 20 years by (1) reducing Russian exports of the enrichment component from the current level of approximately 20% of US enrichment demand to an average of 17% over the 20 year period, and (2) limiting Russian uranium concentrates and conversion components contained in the enriched uranium product to an average equivalent of approximately 7% of US enrichment demand. The draft amendment has been released for public comment and the DOC is looking to finalize the amendment in October 2020.

There has been positive news regarding new reactor startups over the past quarter. The nuclear industry celebrated the startup of the United Arab Emirates' ('UAE') first nuclear power plant. On August 1, 2020 Emirates Nuclear Energy Corp ('ENEC') achieved initial criticality of its South Korean designed APR-1400 Barakah Unit 1, following fuel loading in March. On August 19, 2020 ENEC announced that Unit 1 had subsequently been connected to the electric power grid in the UAE. Unit 1 is the first of four to be started at the site. Unit 2 is now being prepared for commissioning, with the construction of Unit 3 now 93% complete, and Unit 4 at 86% completion.

While the UAE was celebrating its first nuclear reactor, China celebrated a nuclear program that continues to expand. On July 27, 2020, China National Nuclear Corp ('CNNC') reported that Unit 5 at its Tianwan Nuclear Power Plant attained initial criticality. This was followed by an announcement on September 9, 2020 that the power plant had entered commercial operation. Construction of the unit began in December 2015. Unit 6 at the site began construction in September 2016. Both are expected to attain full commercial operation before the end of 2021.

China added to this positive nuclear news when it was reported that its State Council approved the construction of two new nuclear power projects. This announcement comes after more than a year in which China granted no new nuclear power project approvals, and sees the country continue to follow its playbook of increasing infrastructure investment to boost the economy and employment, while improving future energy security amid escalating geopolitical tensions. The approved projects were Hainan Changjiang nuclear power plant phase 2 and Zhejiang San'ao nuclear power plant phase 1. Last year, China launched three new nuclear power plants in the provinces of Shandong, Fujian and Guangdong, which marked the end of a moratorium on new projects. In July 2020, it was reported that the China Nuclear Energy Association ('CNEA') said the country will build six to eight nuclear reactors a year between 2020 and

2025 and raise total capacity to 70 gigawatts ('GW'), up 43.5% from the capacity at the end of May 2020. The CNEA was also quoted as saying China's total installed nuclear capacity is expected to be 52 GW by the end of 2020 and that it would soon get back on track to bring total capacity either in operation or under construction to around 200 GW by 2035.

Russia also announced positive news, reporting on August 31, 2020 that State Atomic Energy Corporation Rosatom's ('Rosatom') Unit 2 of the Leningrad II plant successfully reached the minimum controlled power level, meaning that a controlled, self-sustaining reaction had begun in the new reactor. The reactor's commercial operation is set to begin in 2021.

Last summer the US nuclear industry gained a significant win when Ohio's state government passed legislation to provide a subsidy of up to $150 million per year to keep the Davis-Besse and Perry nuclear plants operating in Ohio. In July 2020, however, bribery allegations were raised against Ohio's House Speaker and several close advisors related to the nuclear bailout legislation. It is unknown at this time how the operation of these nuclear units will be impacted by this development.

In August 2020, Exelon Corporation ('Exelon') announced its intention to retire its Dresden and Byron Generating Stations in the fall of 2021, despite being licensed for another decade, and 20 years, respectively. Exelon pointed to poorly conceived energy policies which favour fossil fuel plants and have made the plants uneconomic to run. Exelon made similar announcements regarding its Clinton and Quad Cities plants before winning subsidies in 2016 to keep them open, so the nuclear industry will continue to closely observe this stalemate.

Building on last year's announcement by the provincial governments of Saskatchewan, Ontario and New Brunswick, the province of Alberta has joined the group by signing on to the memorandum of understanding to support the development of versatile and scalable small modular reactors ('SMRs'). The Alberta government recognized the potential of the emerging technology to provide needed power to remote communities, to lower emissions and further diversify the province's energy sector. In particular, the government noted the potential use of SMRs within Alberta's oil sands industry, given that the projects are often very remote, off-grid, and require a lot of heat and power to operate.

Also in Canada, Ontario Power Generation's ('OPG') Darlington Nuclear Generating Station ('Darlington') reached a significant milestone with reconnection of the fully refurbished Unit 2 to Ontario's electricity grid. Unit 2 represents the first of Darlington's four units to be refurbished under a 10-year project which is expected to be completed in 2026 and is intended to extend the lives of the reactors by 30 years.

In September 2020, OPG announced that it had reached another major milestone with work commencing on the refurbishment of Darlington's Unit 3 following the unit's safe shutdown on July 30, 2020. In response to the COVID-19 pandemic, OPG postponed the commencement of the Unit 3 refurbishment from its scheduled start in May 2020.

In the US, Southern Company ('Southern') added itself to a growing list of US utilities to announce a commitment to a long-term reduction in greenhouse gas ('GHG') emissions to net-zero emissions by 2050. In recent years Southern has reduced its GHG emissions significantly and has set an interim target of a 50% reduction in GHG emissions from 2007 levels by 2030. The company has already successfully reduced its footprint and expects it could meet that target in advance of 2030, perhaps as early as 2025. Southern's ability to reach its goals will be enhanced by the completion of the two new nuclear units that the utility is building in Georgia – Vogtle Units 3 and 4 – which are projected for startup in November 2021 and November 2022, respectively.

As many industries were shut down under the strain of COVID-19 related problems, nuclear electricity generation around the globe remained steadfast, providing the secure, reliable, baseload electricity needed to drive key infrastructure. Building on this and other nuclear energy benefits, a growing dialogue has emerged which is focused on the role nuclear is clearly able to play in helping the world manage through COVID-19 today, and through the economic recovery in the months and years to come. The Organization for Economic Cooperation and Development's ('OECD') Nuclear Energy Agency ('NEA') has drawn further attention to these benefits through a series of policy briefs it recently published that examine nuclear energy's potential. These briefs focus on four areas: (1) nuclear energy's ability to provide cost-effective decarbonization of electricity systems; (2) the high value jobs created with nuclear energy projects; (3) creating policy frameworks within countries that unlock financing to incentivize investment in essential infrastructure that supports low-carbon electricity security; and (4) the importance of building a low-carbon, resilient electricity infrastructure with nuclear energy. Nuclear energy is well positioned to play a critical role in helping strengthen the world's economy as it emerges from COVID-19, while at the same time leveraging its benefits as a non-CO_2 emitting energy source to address ever growing climate concerns.

SUMMARY OF QUARTERLY FINANCIAL INFORMATION

	August 31, 2020	May 31, 2020	February 29, 2020	November 30, 2019
Uranium related gain (loss) (in thousands)	$ (112,710)	$ 230,794	$ (24,228)	$ 17,779
Net gain (loss) for the period (in thousands)	$ (114,758)	$ 229,504	$ (26,205)	$ 16,307
Net gain (loss) per common share – basic and diluted	$ (0.84)	$ 1.67	$ (0.19)	$ 0.12
NAV(1) per share	**$ 5.16**	**$ 6.00**	**$ 4.32**	**$ 4.51**
U_3O_8 spot price (US$)	$ 30.65	$ 34.00	$ 24.70	$ 26.00
UF_6 spot price (US$)	$ 98.25	$ 102.50	$ 85.95	$ 89.90
Foreign exchange rate (US$ to CAD$)	1.3042	1.3787	1.3429	1.3289

	August 31, 2019	May 31, 2019	February 28, 2019	November 30, 2018
Uranium related gain (loss) (in thousands)	$ 20,623	$ (66,697)	$ (30,406)	$ 80,042
Net gain (loss) for the period (in thousands)	$ 19,272	$ (68,047)	$ (32,171)	$ 78,647
Net gain (loss) per common share – basic and diluted	$ 0.14	$ (0.49)	$ (0.23)	$ 0.57
NAV(1) per share	**$ 4.40**	**$ 4.26**	**$ 4.75**	**$ 4.98**
U_3O_8 spot price (US$)	$ 25.30	$ 24.10	$ 28.00	$ 29.10
UF_6 spot price (US$)	$ 86.00	$ 80.50	$ 87.00	$ 89.25
Foreign exchange rate (US$ to CAD$)	1.3295	1.3527	1.3169	1.330

(1) The Net Asset Value or 'NAV' is calculated as the value of total assets less the value of total liabilities. See 'Non-IFRS Financial Performance Measures' section below.

The quarterly net loss or gain of the Corporation is primarily driven by unrealized net losses or gains on investments in uranium that are recognized in the period. Unrealized net losses or gains on investments in uranium are generally a result of changes in the spot price of uranium and the U.S. dollar to Canadian dollar exchange rate – both of which can fluctuate significantly between periods.

OVERALL PERFORMANCE

	Three Months Ended		Six Months Ended	
(in thousands, except per share amounts)	**August 31, 2020**	August 31, 2019	**August 31, 2020**	August 31, 2019
Unrealized gains (losses) on investments in uranium	$ (117,417)	$ 14,022	$ 112,864	$ (52,826)
Realized gains on sale of conversion components	$ 3,459	$ 6,451	$ 3,459	$ 6,451
Realized gain (loss) on sale of investments in uranium	$ (49)	-	$ 225	-
Income from lending and/or relocation of uranium	$ 1,297	$ 150	$ 1,536	$ 301
Operating expenses	$ (2,048)	$ (1,351)	$ (3,338)	$ (2,701)
Net gain (loss) for the period	$ (114,758)	$ 19,272	$ 114,746	$ (48,775)
Net gain (loss) per common share – basic and diluted	$ (0.84)	$ 0.14	$ 0.84	$ (0.35)

(in thousands)	At August 31, 2020		At February 29, 2020	
Total Assets	$	702,206	$	598,106
Total Liabilities	$	(544)	$	(1,001)
NAV[1]	**$**	701,662	$	597,105

(1) The Net Asset Value or 'NAV' is calculated as the value of total assets less the value of total liabilities. See 'Non-IFRS Financial Performance Measures' section below.

The net loss for the three months ended August 31, 2020 was mainly driven by unrealized net losses on investments in uranium of $117,417,000 and net operating expenses of $2,048,000, slightly offset by realized gains on the sale of conversion components of $3,459,000 and income from uranium lending and relocation arrangements of $1,297,000.

The net gain for the six months ended August 31, 2020 was mainly driven by unrealized net gains on investments in uranium of $112,864,000, realized gains on the sale of conversion components of $3,459,000, and income from uranium lending and relocation arrangements of $1,536,000, partly offset by net operating expenses of $3,338,000.

Unrealized net losses on investments in uranium during the three months ended August 31, 2020 were mainly due to the decrease in the spot price of uranium. The spot price decreased during the quarter from US$34.00 per pound U_3O_8 and US$102.50 per KgU as UF_6 at May 31, 2020 to US$30.65 per pound U_3O_8 and US$98.25 per KgU as UF_6 at August 31, 2020. Additionally, the U.S. dollar to Canadian dollar exchange rate decreased by 5% during the quarter.

Unrealized net gains on investments in uranium during the six months ended August 31, 2020 were mainly due to the increase in the spot price of uranium, partially offset by a decrease in the U.S. dollar to Canadian dollar exchange rate. The spot price of uranium increased from US$24.70 per pound U_3O_8 and US$89.95 per KgU as UF_6 at February 29, 2020 to US$30.65 per pound U_3O_8 and US$98.25 per KgU as UF_6 at August 31, 2020, while the U.S. dollar to Canadian dollar exchange rate decreased by 3%.

Total equity accordingly increased to $701,662,000 at August 31, 2020, from $597,105,000 at February 29, 2020.

The Corporation had an effective tax rate of nil for the three and six months ended August 31, 2020, due to the low tax rate in the jurisdiction of its subsidiaries as well as the fact that the Corporation's available tax shelter and cost basis related to its investments in uranium in Canada give rise to a net deductible temporary difference – for which the Corporation does not recognize deferred tax assets.

Taken together, UPC's NAV per share increased to $5.16 at August 31, 2020, from $4.32 at February 29, 2020.

Operating Expenses

Operating expenses are comprised of storage costs, management fees, public company expenses, general and administrative expenses, as well as other miscellaneous items.

Storage fees were $751,000 and $1,409,000 during the three and six months ended August 31, 2020 (August 31, 2019 - $600,000 and $1,254,000). The increase in storage fees during the three and six months ended August 31, 2020, compared to the prior year, was mainly due to increased storage rates at one storage facility, as well as an increase in storage costs related to the returned material from the UF_6 relocation agreement (see Investment Portfolio below for more details). This material, which was returned in May 2020, had previously been stored at no cost to the Corporation for the duration of the relocation arrangement.

Management fees were $655,000 and $1,253,000 during the three and six months ended August 31, 2020 (August 31, 2019 - $450,000 and $904,000). The increase in management fees during the three months ended August 31, 2020, compared to the same period in the prior year, was predominantly due to $132,000 in uranium transaction commissions paid to the Manager during the current period, due to the sale of the conversion components contained in 200,000 KgU as UF_6, the sale of 100,000 pounds of U_3O_8, and the purchase of 53,700 pounds of U_3O_8 (see Investment Portfolio below for further details). Management fees in the three months ended August 31, 2020 also increased compared to the prior year due to an increase in the average NAV during the period, on which the variable portion of the management fee is based. The increase in management fees during the six months ended August 31, 2020, compared to the same period in the prior year, was predominantly due to $193,000 in uranium transaction commissions paid to the Manager during the current period, predominantly due to the sale of the conversion components contained in 200,000 KgU as UF_6, the sale of 225,000 pounds of U_3O_8, and the purchase of 53,700 pounds of U_3O_8 (see Investment Portfolio below for further details). Management fees in the six months ended August 31, 2020 were also increased compared to the prior year due to an increase in the average NAV during the period, on which the variable portion of the management fee is based.

Operating expenses of $1,636,000 (excluding the foreign exchange loss of $412,000), partially offset by income from lending and/or relocation of uranium of $1,297,000, for the three months ended August 31, 2020, represents approximately 0.05% of the NAV at August 31, 2020 and 0.06% of the NAV at February 29, 2020.

Operating expenses of $3,087,000 (excluding the foreign exchange loss of $251,000), partially offset by income from lending and/or relocation of uranium of $1,536,000, for the six months ended August 31, 2020, represents approximately 0.2% of the NAV at August 31, 2020 and 0.3% of the NAV at February 29, 2020.

Uranium Investment Portfolio

UPC's uranium investment portfolio consists of the following as at August 31, 2020:

(in thousands, except quantity amounts)	Quantity		Cost		Fair Value
Investments in Uranium:					
U_3O_8	16,058,373 lbs	$	755,080	$	641,913
UF_6	400,000 KgU	$	66,392	$	51,255
		$	821,472	$	693,168
U_3O_8 average cost and market value per pound:					
In Canadian dollars		$	47.02	$	39.97[1)]
In United States dollars		$	42.48	$	30.65
UF_6 average cost and fair value per KgU:					
In Canadian dollars		$	165.98	$	128.14[(1)]
In United States dollars		$	153.86	$	98.25

(1) Translation to Canadian dollars translated at the Bank of Canada's month-end daily exchange rate of 1.3042.

Uranium Sales

During the three months ended August 31, 2020, the Corporation completed the sale of 100,000 pounds of U_3O_8, in two separate transactions, at a weighted average price of US$32.63, for total cash consideration of $4,425,000 (US$3,263,000). The Corporation recorded a loss on sale of $49,000, which was calculated as the difference between the cash proceeds received and the weighted average historical cost of the U_3O_8.

During the six months ended August 31, 2020, the Corporation completed sales of 225,000 pounds of U_3O_8, in five separate transactions, at a weighted average price of US$33.02, for total cash consideration of $10,292,000 (US$7,429,000). The Corporation recorded a gain on sale of $225,000, which was calculated as the difference between the cash proceeds received and the weighted average historical cost of the U_3O_8.

The majority of proceeds from the sale of the uranium were used to fund share repurchases under the 2020 NCIB. See Liquidity and Capital Resources below for further details.

During the three and six months ended August 31, 2019, the Corporation had no uranium sales.

Uranium Purchases

During October 2019, the Corporation entered into a contract to purchase a total of 230,000 pounds of U_3O_8 at an average price of US$26.04. The transaction consisted of three tranches of 100,000 pounds of U_3O_8, 76,300 pounds of U_3O_8, and 53,700 pounds of U_3O_8, for delivery in October 2019, January 2020, and June 2020, respectively. During the three and six months ended August 31, 2020, the Corporation took delivery of the final tranche of 53,700 pounds of U_3O_8 at a price of US$26.64 per pound U_3O_8, resulting in an increase of $1,957,000 (US$1,431,000) in the Corporation's investments in uranium at the time of purchase.

During the three and six months ended August 31, 2019, the Corporation had no uranium purchases.

Sale of Conversion Components

During October 2019, the Corporation entered into commitments to sell the conversion components contained in 300,000 KgU as UF_6. This transaction resulted in the exchange of 300,000 KgU as UF_6 for 783,856 pounds of U_3O_8 and cash consideration of US$6,087,000. The transaction consisted of three equal tranches of 100,000 KgU as UF_6 for delivery in January 2020, June 2020, and July 2020.

During the three and six months ended August 31, 2020, the Corporation completed the second and third tranches of this commitment, which resulted in the exchange of 200,000 KgU as UF_6 for 522,572 pounds of U_3O_8 and cash consideration of $5,522,000 (US$4,058,000). The Corporation recorded a gain on sale of conversion components of $3,459,000, which was calculated as the difference between the cash proceeds received and the historical costs of the conversion components.

During the three and six months ended August 31, 2019, the Corporation entered into an agreement with a primary UF_6 conversion supplier to sell the conversion components contained in 417,230 KgU as UF_6. This transaction resulted in the exchange of 417,230 KgU as UF_6 for 1,090,160 pounds of U_3O_8 as well as cash consideration of $5,489,000 (US$4,151,000) and beneficial storage and other arrangements valued at $5,264,000 (US$3,982,000). The gain on the sale of the conversion components was $6,451,000, based on the difference between the total value of the cash proceeds plus the beneficial storage and other arrangements received and the historical cost of the conversion components of $4,302,000. At the date of the transaction the fair value of the conversion components was $10,480,000.

Uranium Lending Agreement

In May 2020, the Corporation entered into an agreement to loan 500,000 pounds of U_3O_8 to an independent third party, with a return date in September 2020. The loan is subject to a loan fee of US$100,000 per month. The loan is collateralized with 164,000 pounds of U_3O_8 and 105,971 KgU as UF_6. During the three and six months ended August 31, 2020, the Corporation recorded $408,000 and $547,000, respectively, in income from uranium lending related to this agreement (August 31, 2019 - $nil).

Uranium Relocation Agreements

In June 2020, the Corporation entered into a location swap with an independent third party whereby the Corporation delivered 200,000 pounds of U_3O_8 at the counterparty at a storage facility and received 220,000 pounds of U_3O_8 at an alternate storage facility, including an exchange fee of 20,000 pounds of U_3O_8. In the three and six months ended August 31, 2020, the Corporation recorded income from the relocation swap of $889,000 in income from uranium relocation, which was the fair value of the 20,000 pounds of U_3O_8 received as consideration.

In July 2016, the Corporation entered into an agreement with an independent third party to temporarily relocate a total of 700,000 KgU as UF_6 to an alternate storage facility. The relocations took place over a two year period, in three separate tranches. The Corporation earned a fee of US$1.00 per KgU for the initial 12 months of each transfer and US$0.50 per KgU for each subsequent year after the end of the initial 12 month period. The fee received under this agreement is recorded as income from relocation of uranium in the statement of comprehensive gain (loss).

Pursuant to the relocation agreement, the Corporation transferred a total of 700,000 KgU as UF_6 in exchange for an equivalent amount of KgU as UF_6 contained in enriched uranium product ('EUP') and, in May 2020, the full 700,000 KgU as UF_6 was transferred back to the Corporation, in accordance with the relocation agreement.

During the three and six months ended August 31, 2020, the Corporation recorded $nil and $100,000 in income from the relocation of uranium under this agreement (August 31, 2019 - $150,000 and $301,000).

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents were $4,542,000 at August 31, 2020 (February 29, 2020 – $3,166,000). The increase of $1,376,000 during the six months ended August 31, 2020, was predominantly due to $13,857,000 in cash provided by investing activities, partially offset by $2,144,000 in cash used in operations and $10,189,000 in cash used in financing activities.

During the six months ended August 31, 2020, the Corporation received cash proceeds of $10,292,000 related to the sale of 225,000 pounds of U_3O_8 and $5,522,000 from the sale of the conversion components contained in 100,000 KgU as UF_6. In addition, during the six months ended August 31, 2020, the Corporation spent $1,957,000 to purchase 53,700 pounds of U_3O_8.

In April 2020, the Corporation filed a notice of a Normal Course Issuer Bid ('2020 NCIB') with the TSX, which authorizes the Corporation to purchase up to 12,301,750 common shares of the Corporation during the 12 month period ending April 15, 2021. A copy of the notice may be obtained, without charge, by contacting the Corporation. As at August 31, 2020, a total of 2,053,002 shares have been purchased under the 2020 NCIB at an average cost of $4.94 per share for a total cash outflow of $10,164,000, which includes brokers' commissions of $21,000. The Corporation's Share Capital account has been reduced by $3,867,000, which reflects the weighted average per share book value of the repurchased shares. The difference of $6,297,000 between the cash outflow of $10,164,000 for the share repurchases and the weighted average book value of the purchased shares of $3,867,000 has been recorded as a reduction in contributed surplus. The Corporation also incurred $25,000 in other share repurchase expenses related to the 2020 NCIB, which were recorded as a reduction to the Share Capital account.

The Corporation's capital structure consists of share capital and contributed surplus. Uranium purchases are normally funded through common share offerings, with the gross proceeds of share offerings generally invested in, or set aside for, purchases of uranium. As at August 31, 2020, the Corporation has invested in or committed to purchase uranium with a cost of acquisition of more than 85% of its aggregate gross proceeds of share offerings since incorporation. In strictly limited circumstances, the Corporation can enter into short-term borrowing arrangements for up to 15% of its net asset value to facilitate the purchases of uranium. To date, the Corporation has not entered into any short-term borrowing arrangements.

On December 21, 2018, the Corporation filed a short form base shelf prospectus ('2018 Prospectus') with the securities regulatory authorities in each of the provinces in Canada, other than Quebec. The Corporation may issue securities, in amounts, at prices, and on terms to be determined based on market conditions at the time of sale and as set forth in the 2018 Prospectus, for an aggregate offering amount of up to $200,000,000 during the 25 month period beginning December 24, 2018, the date of the receipt of the 2018 Prospectus by the Ontario Securities Commission. To date, the Corporation has not issued any securities pursuant to the 2018 Prospectus.

RELATED PARTY TRANSACTIONS

Management Services Agreement with Denison Mines Inc.

Effective April 1, 2019, the Corporation entered into a new management services agreement with the Manager (the '2019 MSA'). The management fee structure in the 2019 MSA is unchanged from the previous MSA, with the Manager being entitled to the following: a) a base fee of $400,000 per annum, payable in equal quarterly installments; b) a variable fee equal to (i) 0.3% per annum of the Corporation's total assets in excess of $100,000,000 and up to and including $500,000,000, and (ii) 0.2% per annum of the Corporation's total assets in excess of $500,000,000; c) a fee, at the discretion of the Board of Directors, for on-going monitoring or work associated with a transaction or arrangement (other than a financing, or the acquisition of or sale of U_3O_8 or UF_6); and d) a commission of 1.0% of the gross value of any purchases or sales of U_3O_8 or UF_6, or gross interest fees payable to the Corporation in connection with any uranium loan arrangements.

The term of the 2019 MSA is for five years, ending on March 31, 2024. In addition, the 2019 MSA includes a termination provision whereby, subject to certain exceptions, if the 2019 MSA is terminated early by the Corporation, the Manager will receive a termination payment equal to the base and variable management fees that would otherwise be payable to the Manager (calculated based on the Corporation's current uranium holdings at the time of termination) for the lesser period of a) three years; or b) the remaining term of the 2019 MSA.

The following outlines the fees paid to the Manager during the periods ended:

	Three Months Ended		Six Months Ended	
(in thousands)	**August 31, 2020**	August 31, 2019	**August 31, 2020**	August 31, 2019
Fees incurred with the Manager:				
Base and variable fees	$ 523	$ 450	$ 1,060	$ 904
Commission fees	$ 132	$ -	$ 193	$ -
Total fees incurred with the Manager	**$ 655**	$ 450	**$ 1,253**	$ 904

As at August 31, 2020, trade and other payables included $225,000 (February 29, 2020 – $683,000) due to the Manager with respect to the fees indicated above.

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation, directly or indirectly. The Corporation's key management personnel are the members of its Board of Directors.

The following compensation was awarded to key management personnel for the periods ended:

(in thousands)	Three Months Ended August 31, 2020	Three Months Ended August 31, 2019	Six Months Ended August 31, 2020	Six Months Ended August 31, 2019
Directors' fees & expenses	$ 64	$ 77	$ 146	$ 158
Total key management personnel compensation	**$ 64**	$ 77	**$ 146**	$ 158

OUTSTANDING SHARE DATA

At September 24, 2020, there were 136,007,711 common shares issued and outstanding. There are no stock options or other equity instruments issued and outstanding.

CONTROLS AND PROCEDURES

The Corporation's management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to the financial statement preparation and presentation.

There has not been any change in the Corporation's internal control over financial reporting that occurred during the three and six months ended August 31, 2020 that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

NON-IFRS FINANCIAL PERFORMANCE MEASURES

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

ADDITIONAL INFORMATION

Additional information regarding UPC, including the Corporation's press releases, quarterly and annual reports and Annual Information Form, are available under the Corporation's profile at www.sedar.com.

CAUTIONARY STATEMENTS & FORWARD-LOOKING STATEMENTS

Certain information contained or incorporated by reference in this MD&A constitutes forward looking statements or forward looking information. These statements can be identified by the use of forward looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "plan", "should", "believe" or "continue" or the negative thereof or variations thereon or similar terminology. In particular, this MD&A contains forward-looking information pertaining to uranium spot prices, foreign exchange fluctuations, developments in the uranium industry and anticipated results thereof and other market factors and their potential impact on the Corporation's financial results; expectations regarding uranium purchases and sales and the ability to complete the transactions for which commitments have been made; the Corporation's investment and other operational objectives, including expectations regarding the NCIB; and the Corporation's agreements and relationship with the Manager.

By their very nature, forward looking statements involve numerous factors, assumptions and estimates. A variety of factors, many of which are beyond the control of UPC, may cause actual results to differ materially from the expectations expressed in the forward looking statements. For a list of the principal risks of an investment in UPC, please refer to the "RISK FACTORS" section in the Corporation's Annual Information Form dated May 27, 2020 available under the Corporation's profile on SEDAR at www.sedar.com.

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

This MD&A also contains information relating to third parties, including regulatory agencies, companies and other industry participants, derived from third-party publications and reports which UPC believes are reliable but have not been independently verified by UPC.

Uranium
Participation
Corporation

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2020

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands of Canadian dollars except for share amounts)	At August 31, 2020	At February 29, 2020
ASSETS		
Current		
Cash and cash equivalents	$ 4,542	$ 3,166
Trade and other receivables	214	121
Prepaid expenses and other (note 4)	1,457	1,822
	6,213	5,109
Non-Current		
Prepaid expenses and other (note 4)	2,825	3,409
Investments in uranium (note 5)	693,168	589,588
Total assets	**$ 702,206**	**$ 598,106**
LIABILITIES		
Current		
Trade and other payables	$ 544	$ 1,001
Total liabilities	544	1,001
EQUITY		
Share capital (note 7)	256,150	260,042
Contributed surplus	641,708	648,005
Deficit	(196,196)	(310,942)
Total equity	701,662	597,105
Total liabilities and equity	**$ 702,206**	**$ 598,106**
Common shares		
Issued and outstanding (note 7)	**136,007,711**	**138,060,713**

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE GAIN (LOSS)

(Expressed in thousands of Canadian dollars except for share and per share amounts)	Three Months Ended August 31, 2020	Three Months Ended August 31, 2019	Six Months Ended August 31, 2020	Six Months Ended August 31, 2019
URANIUM RELATED GAIN (LOSS)				
Unrealized gains (losses) on investments in uranium (note 5)	$ (117,417)	$ 14,022	$ 112,864	$ (52,826)
Gains (losses) on sale of investments in uranium (note 5)	(49)	-	225	-
Realized gains on sale of conversion components (note 5)	3,459	6,451	3,459	6,451
Income from lending and/or relocation of uranium (note 6)	1,297	150	1,536	301
	(112,710)	**20,623**	**118,084**	**(46,074)**
OPERATING EXPENSES				
Storage fees	(751)	(600)	(1,409)	(1,254)
Management fees (note 8)	(655)	(450)	(1,253)	(904)
Public company expenses	(201)	(208)	(327)	(371)
General office and miscellaneous	(25)	(40)	(48)	(67)
Legal and other professional fees	(4)	(118)	(54)	(222)
Interest income	-	20	4	39
Foreign exchange gain (loss)	(412)	45	(251)	78
	(2,048)	**(1,351)**	**(3,338)**	**(2,701)**
Net gain (loss) and comprehensive gain (loss) for the period	**$ (114,758)**	**$ 19,272**	**$ 114,746**	**$ (48,775)**
Net gain (loss) per common share				
Basic and diluted	**$ (0.84)**	**$ 0.14**	**$ 0.84**	**$ (0.35)**
Weighted average number of common shares outstanding				
Basic and diluted	**136,308,714**	**138,060,713**	**137,030,408**	**138,060,713**

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in thousands of Canadian dollars)	Share Capital	Contributed Surplus	Deficit	Total Equity
Balance at February 28, 2019	$ 260,042	$ 648,005	$ (252,269)	$ 655,778
Net loss for the period	-	-	(48,775)	(48,775)
Balance at August 31, 2019	$ 260,042	$ 648,005	$ (301,044)	$ 607,003
Balance at February 29, 2020	$ 260,042	$ 648,005	$ (310,942)	$ 597,105
Shares repurchased under the NCIB and cancelled during the period (note 7)	(3,892)	(6,297)	-	(10,189)
Net gain for the period	-	-	114,746	114,746
Balance at August 31, 2020	**$ 256,150**	**$ 641,708**	**$ (196,196)**	**$ 701,662**

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended	
(Expressed in thousands of Canadian dollars)	**August 31, 2020**	August 31, 2019
Operating Activities		
Net gain (loss) for the period	$ 114,746	$ (48,775)
Adjustment for:		
Unrealized (gain) loss on revaluation of uranium investments (note 5)	(112,864)	52,826
Realized gain on sale of uranium investments (note 5)	(225)	-
Realized gain on sale of conversion components (note 5)	(3,459)	(6,451)
Uranium received as consideration for relocation fee income (note 6)	(889)	-
Foreign exchange (gain) loss	251	(78)
Changes in non-cash working capital:		
Change in trade and other receivables	(101)	62
Change in prepaid expenses and other	844	325
Change in trade and other payables	(447)	(349)
Net cash used in operating activities	**(2,144)**	(2,440)
Investing Activities		
Purchase of uranium investments (note 5)	(1,957)	-
Sale of uranium investments (note 5)	10,292	-
Sale of conversion components, net of costs (note 5)	5,522	-
Net cash generated by investing activities	**13,857**	-
Financing Activities		
Common shares repurchased, inclusive of costs (note 7)	(10,189)	-
Net cash used in financing activities	**(10,189)**	-
Increase (decrease) in cash and cash equivalents	1,524	(2,440)
Cash and cash equivalents – beginning of the period	3,166	5,803
Foreign exchange impact	(148)	6
Cash and cash equivalents – end of the period	**$ 4,542**	$ 3,369
Cash	4,366	178
Cash Equivalents	176	3,191
Cash and cash equivalents – end of the period	**$ 4,542**	$ 3,369

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2020

(Expressed in Canadian dollars, unless otherwise noted)

1. URANIUM PARTICIPATION CORPORATION

Uranium Participation Corporation ('UPC') was established under the *Business Corporations Act* (Ontario) on March 15, 2005. The address of its registered head office is 40 University Avenue, Suite 1100, Toronto, Ontario, Canada, M5J 1T1. Uranium Participation Bermuda Limited and Uranium Participation Bermuda 2 Limited (together with UPC, the 'Corporation') are wholly-owned subsidiaries of UPC.

The Corporation invests substantially all of its assets in uranium oxide in concentrates ('U_3O_8') and uranium hexafluoride ('UF_6') (collectively 'uranium') with the primary investment objective of achieving appreciation in the value of its uranium holdings through increases in the uranium price. Denison Mines Inc. (the 'Manager'), under the direction of UPC's Board of Directors, provides general administration and management services to the Corporation. The common shares of UPC are listed and trade on the Toronto Stock Exchange ('TSX') under the symbol 'U'.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as issued by the International Accounting Standards Board ('IASB'), applicable to the preparation of interim financial statements, including International Accounting Standard ('IAS') 34, *Interim Financial Reporting.* These condensed interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended February 29, 2020.

All dollar amounts are expressed in Canadian dollars, unless otherwise noted.

All uranium prices are based on prices published by UxC LLC ('UxC').

These financial statements were approved by UPC's Board of Directors on September 24, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the Corporation's audited annual consolidated financial statements for the year ended February 29, 2020.

4. PREPAID EXPENSES AND OTHER

The prepaid expenses and other balance consists of:

(in thousands)	**August 31, 2020**	August 31, 2019
Prepaid storage benefits	$ 3,908	$ 5,232
Other prepaids	374	393
Ending balance prepaid expenses and other	**$ 4,282**	$ 5,625
Prepaid expenses and other-by balance sheet presentation		
Current	$ 1,457	$ 1,641
Non-Current	2,825	3,984
Ending balance prepaid expenses and other	**$ 4,282**	$ 5,625

In August 2019, the Corporation entered into an agreement with a primary UF_6 conversion supplier to sell the conversion components contained in 417,230 KgU as UF_6. This transaction resulted in the exchange of 417,230 KgU as UF_6 for 1,090,162 pounds of U_3O_8 as well as cash consideration of $5,489,000 and beneficial storage and other arrangements valued at $5,264,000. The amount recorded as prepaid storage expense reflects the remaining value of beneficial storage arrangements which will reduce the Corporations storage fees over a five-year period from August 2019.

5. INVESTMENTS IN URANIUM

The investments continuity summary is as follows:

(in thousands)	Six Months Ended August 31, 2020	August 31, 2019
Opening balance	$ 589,588	$ 650,102
Unrealized net gain (loss) on investments in uranium	112,864	(52,826)
Purchase of uranium – cost	1,957	-
Uranium received as consideration for relocation fee income (note 6)	889	-
Sale of conversion components – cost	(2,063)	-
Sale of uranium – cost	(10,067)	(4,302)
Ending balance	**$ 693,168**	$ 592,974

The balance of investments in uranium consists of:

(in thousands, except quantity amounts)	Quantity	Cost	Fair Value Adjustment	Fair Value
U_3O_8	16,058,373 lbs	$ 755,080	$ (113,167)	$ 641,913
UF_6	400,000 KgU	66,392	(15,137)	51,255
Balance at August 31, 2020		**$ 821,472**	**$ (128,304)**	**$ 693,168**

Investments in uranium are categorized in Level 2 of the fair value hierarchy. Fair values as at August 31, 2020 reflect spot prices published by UxC of US$30.65 per pound U_3O_8 and US$98.25 per KgU as UF_6, translated to Canadian Dollars at the Bank of Canada's month-end daily exchange rate of $1.3042.

Uranium Sales

During the three months ended August 31, 2020, the Corporation completed the sale of 100,000 pounds of U_3O_8, in two separate transactions at a weighted average price of US$32.63, for total cash consideration of $4,425,000 (US$3,263,000). The Corporation recorded a loss on sale of $49,000, which was calculated as the difference between the cash proceeds received and the weighted average historical cost of the U_3O_8.

During the six months ended August 31, 2020, the Corporation completed the sale of 225,000 pounds of U_3O_8, in five separate transactions at a weighted average price of US$33.02, for total cash consideration of $10,292,000 (US$7,429,000). The Corporation recorded a gain on sale of $225,000, which was calculated as the difference between the cash proceeds received and the weighted average historical cost of the U_3O_8.

The majority of the proceeds from the sale of the uranium were used to fund share repurchases under the 2020 NCIB. See Note 7 for further details.

During the three and six months ended August 31, 2019, the Corporation had no uranium sales.

Uranium Purchases

During October 2019, the Corporation entered into a contract to purchase a total of 230,000 pounds of U_3O_8 at an average price of US$26.04. The transaction consisted of three tranches of 100,000 pounds of U_3O_8, 76,300 pounds of U_3O_8, and 53,700 pounds of U_3O_8, for delivery in October 2019, January 2020, and June 2020, respectively.

During the three and six months ended August 31, 2020, the Corporation took delivery of the final tranche of 53,700 pounds of U_3O_8 at a price of US$26.64 per pound U_3O_8, resulting in an increase of $1,957,000 (US$1,431,000) in the Corporation's investments in uranium at the time of purchase.

During the three and six months ended August 31, 2019, the Corporation had no uranium purchases.

Sale of Conversion Components

During October 2019, the Corporation entered into commitments to sell the conversion components contained in 300,000 KgU as UF_6. This transaction resulted in the exchange of 300,000 KgU as UF_6 for 783,856 pounds of U_3O_8 and cash consideration of US$6,087,000. The transaction consisted of three equal tranches of 100,000 KgU as UF_6 for delivery in January 2020, June 2020, and July 2020.

During the three and six months ended August 31, 2020, the Corporation completed the second and third tranches of this commitment, which resulted in the exchange of 200,000 KgU as UF_6 for 522,572 pounds of U_3O_8 and cash consideration of $5,522,000 (US$4,058,000). The Corporation recorded a gain on sale of conversion components of $3,459,000, which was calculated as the difference between the cash proceeds received and the historical costs of the conversion components.

During the three and six months ended August 31, 2019, the Corporation entered into an agreement with a primary UF_6 conversion supplier to sell the conversion components contained in 417,230 KgU as UF_6. This transaction resulted in the exchange of 417,230 KgU as UF_6 for 1,090,160 pounds of U_3O_8 as well as cash consideration of $5,489,000 (US$4,151,000) and beneficial storage and other arrangements valued at $5,264,000 (US$3,982,000). The gain on the sale of the conversion components was $6,451,000, based on the difference between the total value of the cash proceeds plus the beneficial storage and other arrangements received and the historical cost of the conversion components of $4,302,000. At the date of the transaction the fair value of the conversion components was $10,480,000.

6. URANIUM ARRANGEMENTS

Relocation Agreements

In June 2020, the Corporation entered into a location swap with an independent third party, whereby the Corporation delivered 200,000 pounds of U_3O_8 to the counterparty at a storage facility and received 220,000 pounds of U_3O_8 at an alternate storage facility, including an exchange fee of 20,000 pounds of U_3O_8. The fee received under this agreement is recorded as income from relocation of uranium in the statement of comprehensive gain (loss). In the three and six months ended August 31, 2020, the Corporation recorded income from the location swap of $889,000 in income from uranium relocation, which was the fair value of the 20,000 pounds of U_3O_8 received as consideration.

In July 2016, the Corporation entered into an agreement with an independent third party to temporarily relocate a total of 700,000 KgU as UF_6 to an alternate storage facility. The relocations took place over a two year period, in three separate tranches. The Corporation earned a fee of US$1.00 per KgU for the initial 12 months of each transfer and US$0.50 per KgU for each subsequent year after the end of the initial 12 month period. The fee received under this agreement is recorded as income from relocation of uranium in the statement of comprehensive gain (loss).

Pursuant to the relocation agreement, the Corporation transferred a total of 700,000 KgU as UF_6 in exchange for an equivalent amount of KgU as UF_6 contained in enriched uranium product ('EUP'), and in May 2020, the full 700,000 KgU as UF_6 was transferred back to the Corporation, in accordance with the relocation agreement.

During the three and six months ended August 31, 2020, the Corporation recorded $nil and $100,000 in income from the relocation of uranium under this agreement (August 31, 2019 - $150,000 and $301,000).

Uranium Lending Agreement

In May 2020, the Corporation entered into an agreement to loan 500,000 pounds of U_3O_8 to an independent third party, with a return date in September 2020. The loan is subject to a loan fee of USD$100,000 per month. The loan is collateralized with 164,000 pounds of U_3O_8 and 105,971 KgU as UF_6. During the three and six months ended August 31, 2020, the Corporation recorded $408,000 and $547,000 in income from uranium lending (August 31, 2019 - $nil).

7. COMMON SHARES

The Corporation is authorized to issue an unlimited number of common shares without par value. Issued and outstanding common shares are as follows:

(in thousands, except common share amounts)	Number of Common Shares		Amount
Balance at February 28, 2019	138,060,713	$	260,042
Balance at February 29, 2020	138,060,713	$	260,042
Shares repurchased under the NCIB and cancelled during the period	(2,053,002)		(3,867)
Share repurchase costs			(25)
Balance, issued and outstanding at August 31, 2020	**136,007,711**	**$**	**256,150**

In April 2020, the Corporation filed a notice of a Normal Course Issuer Bid ('2020 NCIB') with the TSX, which authorizes the Corporation to purchase up to 12,301,750 common shares of the Corporation during the 12 month period ending April 15, 2021. As at August 31, 2020, a total of 2,053,002 shares have been purchased under the 2020 NCIB at an average cost of $4.94 per share for a total cash outflow of $10,164,000, which includes brokers' commissions of $21,000. The Corporation's Share Capital account has been reduced by $3,867,000, which reflects the weighted average per share book value of the repurchased shares. The difference of $6,297,000 between the cash outflow of $10,164,000 for the share repurchases and the weighted average book value of the purchased shares of $3,867,000 has been recorded as a reduction in contributed surplus. The Corporation also incurred $25,000 in other share repurchase expenses related to the 2020 NCIB which were recorded as a reduction to the Share Capital account.

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

8. RELATED PARTY TRANSACTIONS

Management Services Agreement with the Manager

The following outlines the fees paid to the Manager for the periods ended:

	Three Months Ended		Six Months Ended	
(in thousands)	**August 31, 2020**	August 31, 2019	**August 31, 2020**	August 31, 2019
Fees incurred with the Manager:				
Base and variable fees	$ 523	$ 450	$ 1,060	$ 904
Commission fees	132	-	193	-
Total fees incurred with the Manager	**$ 655**	**$ 450**	**$ 1,253**	**$ 904**

As at August 31, 2020, trade and other payables included $225,000 (February 29, 2020 – $683,000) due to the Manager with respect to the fees indicated above.

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation, directly or indirectly. The Corporation's key management personnel are the members of its Board of Directors.

The following outlines the compensation and expense reimbursements paid to key management personnel for the periods ending:

	Three Months Ended		Six Months Ended	
(in thousands)	**August 31, 2020**	August 31, 2019	**August 31, 2020**	August 31, 2019
Directors' fees & expenses	$ 64	$ 77	$ 146	$ 158
Total key management personnel compensation	**$ 64**	**$ 77**	**$ 146**	$ 158

9. COMPARATIVE FINANCIAL STATEMENTS

Certain balances in the comparative condensed interim consolidated financial statements have been reclassified from the condensed interim consolidated financial statements previously presented to conform to the presentation of the 2020 condensed interim consolidated financial statements in accordance with IFRS.