



Uranium's August Glow

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Month of August 2022

Indicator	1 MO*	3 MO*	YTD*	1 YR	Analysis
U ₃ O ₈ Uranium Spot Price ¹	8.73%	10.67%	24.45%	53.39%	Price has doubled from the level at the end of 2019.
Northshore Global Uranium Mining Index ²	12.03%	14.71%	8.47%	34.62%	Rebound continues with second consecutive month of double-digit gains.

Source: Bloomberg and Sprott Asset Management LP. Data as of August 31, 2022. **Past performance is no guarantee of future results. You cannot invest directly in an index.** For standardized performance of Sprott Uranium Miners ETF please see page 4.

*Performance for periods under one year not annualized.

August Recap

Uranium, both the physical spot price and uranium mining equities, had standout performance in August. Uranium's strength provided a notable divergence from the weak performance of the broader markets. Equity, bond and the broader commodity markets posted negative performance for August, a month characterized by rising interest rates, persistently high inflation and thin market depth and trading liquidity. These macro factors were further amplified by Chair Jerome Powell's comments at the Federal Reserve's (the "Fed") 2022 Economic Policy Symposium held in Jackson Hole, Wyoming. Powell stated that the Fed would continue to raise interest rates and hold them at a higher level until inflation was brought under control.

The U₃O₈ uranium spot price rose from \$48.59 to \$52.83 per pound in August, an 8.73% increase. In response, uranium equities climbed even higher, with the Northshore Global Uranium Mining Index (URNMX) gaining 12.03% for the month. The positive returns experienced by both physical uranium and uranium mining equities reflected the increased acceptance among global governments of nuclear power's dual role in supporting the world's energy transition away from dependence on fossil fuels and in ensuring higher energy security. Further, we believe the uranium market's outperformance in August reflected its unique micro factors and highlights the low correlation³ and diversification⁴ benefit potential of uranium equities.

¹ The U₃O₈ uranium spot price is measured by a proprietary composite of U₃O₈ spot prices from UxC, S&P Platts and Numerco.

² The North Shore Global Uranium Mining Index (URNMX) was created by North Shore Indices, Inc. (the "Index Provider"). The Index Provider developed the methodology for determining the securities to be included in the Index and is responsible for the ongoing maintenance of the Index. The Index is calculated by Indxx, LLC, which is not affiliated with the North Shore Global Uranium Miners Fund ("Existing Fund"), ALPS Advisors, Inc. (the "Sub-Adviser") or Sprott Asset Management LP (the "Adviser").

³ Correlation is used to measure how the investment performance of assets relate. A "lower" correlation indicates that the asset classes are not correlated and generally do not move in tandem with each other.

⁴ Diversification does not guarantee profits, nor guarantees against loss.



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As shown in Figure 1, the U_3O_8 uranium spot price has doubled in value since the beginning of 2020, posting a total gain of 115.29% for the period from January 1, 2020, to August 31, 2022, surpassing the performance of other asset classes.

Figure 1. Uranium Outperforms Other Asset Classes in the Short-Term (2020-2022)



Source: Bloomberg and Sprott Asset Management. Data as of 8/31/2022. Gold is measured by GOLDS Comdty Spot Price; S&P 500 TR is measured by the SPX; BCOM is the Bloomberg Commodity Index; US Agg Bond Index is measured by the Bloomberg Barclays US Agg Total Return Value Unhedged USD (LBUSTRUU Index); the U.S. Dollar is measured by DXY Curncy and the U_3O_8 uranium spot price is measured by a proprietary composite of U_3O_8 spot prices from UxC, S&P Platts and Numerco. Included for illustrative purposes only. **Past performance is no guarantee of future results.**

Global Sentiment Towards Nuclear Power Continues to Improve

Positive news headlines about the growing acceptance of nuclear power were abundant in August. Faced with the prospects of energy shortages and rocketing energy costs, many governments are turning to nuclear energy to provide reliable, affordable base load energy. The energy crisis that many countries are facing provides the “political will” to galvanize public support for nuclear energy.

Uranium equities had a strong positive reaction to Japanese Prime Minister Fumio Kishida’s announcement on August 24 that Japan wants to restart seven more nuclear reactors by summer 2023 and will explore the development and construction of innovative next-generation reactors as well as consider extending the life of existing nuclear reactors.⁵ Prime Minister Kishida further noted that “Nuclear power and renewables are essential to proceed with a green transformation” and that “Russia’s invasion changed the global energy situation”. Market participants had been patiently waiting for Japan to announce the restart of additional nuclear power plants to address its long-term energy needs.

South Korea was among the other countries that expressed greater commitment to nuclear energy in August. The South Korean government noted on August 30 that it planned to increase its percentage of total energy creation from nuclear to ~33% from a previous mid-term plan of 25%.⁶ In California, U.S., the nuclear power plant Diablo Canyon extension of life proposed by Governor Gavin Newsom has passed, representing a turnaround from the Governor’s previous stance to close the plant.⁷ In addition, the Inflation Reduction Act in the U.S. passed in August and will give existing nuclear power plants \$15/MWh generated conditional on shortfalls in their revenues from other sources.⁸ While this would not be triggered at current wholesale prices, it is likely to help keep the fleet online if prices were to revert to lower levels.

⁵ Source: Bloomberg, [Threats of Blackouts Drive Japan to Embrace Nuclear Again](#). August 24, 2022.

⁶ Source: TradeTech Nuclear Market Review for the month ending August 31, 2022.

⁷ Source: YonHap News Agency, [S. Korea to expand nuclear power generation to about 33 pct of total by 2030](#). August 30, 2022.

⁸ Source: Yahoo Finance, [Nuclear policy ‘U-turns’ bullish for Canadian uranium producer Cameco](#). August 31, 2022.



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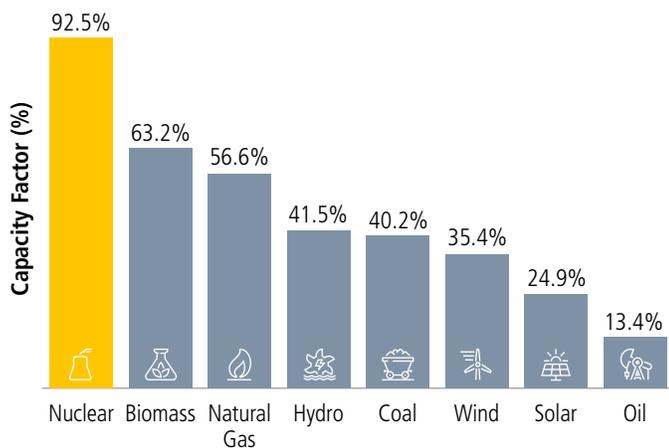
Uranium's Bullish Outlook

August's standout performance for physical uranium and uranium miners was a welcome exception in what has been a tough summer for most other asset classes. We believe, however, that the recent performance of uranium miners does not reflect the strong uranium market fundamentals. Year-to-date as of August 31, U_3O_8 conversion and enriched uranium prices have all significantly appreciated for both short- and long-term purchase contracts. Still, by contrast, the performance of uranium miners remains in the single digits. We believe that the current demand for uranium conversion and enrichment, coupled with a shift away from Russian suppliers supports an increase in the U_3O_8 uranium spot price, which is ultimately supportive for uranium miners.

This past summer saw numerous endorsements of nuclear energy from governments worldwide. In addition, other positive news continues to increase confidence, including the inclusion of nuclear energy in the EU taxonomy, Germany's rethinking of planned plant closures, the U.S. Department of Energy's announcement to buy \$4.3 billion in enriched uranium from domestic producers and the G7's statement on reducing reliance on nuclear goods from Russia. We believe these strong developments will likely bolster greater investment in nuclear energy, physical uranium and uranium miners.

Looking beyond the significant positive short-term performance, we believe the uranium bull market still has a long way to run. Over the long term, increased demand in the face of an uncertain uranium supply is likely to support a sustained bull market. For investors, uranium miners have historically exhibited low/moderate correlation to many major asset classes, providing portfolio diversification potential.

Figure 2. Nuclear Energy Provides the Most Reliable Baseload



Source: U.S. Energy Information Administration. Data as of 12/31/2020. Included for illustrative purposes only. **Past performance is no guarantee of future results.** Note: The capacity factor is a way of measuring energy output relative to the installed infrastructure. Capacity factor = Actual units of energy produced/ maximum potential units. A capacity factor of 100% would mean that a plant was producing all the energy it physically could around the clock. Nuclear energy has a high capacity factor of more than 90%.

We continue to believe that physical uranium and uranium miners are well positioned to take share within the energy sector as energy security and decarbonization increase in importance. With the number of nuclear reactors planned to increase by 35%, governments are signaling the need to embrace the reliable, efficient, clean and safe energy produced by nuclear to meet ambitious decarbonization goals.⁹ At the same time, a uranium supply deficit remains entrenched and uranium miners may be the recipients of increased investment, which may in turn bring the market back into balance.

⁹ Source: BNEF. U.S. Climate Bill Changes the Game for Two Key Sectors. August 8, 2022.



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Sprott Uranium Miners ETF (NYSE Arca: URNM)

Sprott Uranium Miners ETF (NYSE Arca: URNM) seeks to invest at least 80% of its total assets in securities of the North Shore Global Uranium Mining Index (URNMX). The Index is designed to track the performance of companies that devote at least 50% of their assets to the uranium mining industry, which may include mining, exploration, development and production of uranium, or holding physical uranium, owning uranium royalties or engaging in other, non-mining activities that support the uranium mining industry. The URNM Index is rebalanced semi-annually.

Key Points:

- 1. Pure-Play Uranium ETF** – A U.S.-listed Uranium ETF focused on uranium miners and physical uranium
- 2. Uranium Bull Market** – A new uranium bull market is underway, incentivizing miners and investors
- 3. Clean Energy Transition** – Uranium and nuclear energy may be critical to the clean energy transition
- 4. Energy Security** – Uranium and nuclear energy may help countries achieve energy security – reliable and affordable electricity

Performance: Average Annual Total Returns* (%)

MONTH END AS OF 8/31/2022	1 MO	3 MO	YTD	1 YR	S.I.¹
Sprott Uranium Miners ETF (Net Asset Value)	11.87	14.11	7.84	33.42	56.24
Sprott Uranium Miners ETF (Market Price) ²	11.34	14.40	7.63	31.38	55.99
North Shore Global Uranium Mining Index (Benchmark) ³	12.03	14.71	8.47	34.62	57.74
QUARTER END AS OF 6/30/2022	1 MO	3 MO	YTD	1 YR	S.I.¹
Sprott Uranium Miners ETF (Net Asset Value)	-16.10	-31.49	-20.72	-2.91	42.79
Sprott Uranium Miners ETF (Market Price) ²	-15.79	-31.39	-20.74	-2.81	42.62
North Shore Global Uranium Mining Index (Benchmark) ³	-16.18	-31.60	-20.74	-2.50	43.91

Fees and Expenses (%) as of the most recent prospectus⁴

Management Fee	0.85
Other Expenses	0.00
Total Annual Fund Operating Expenses	0.85

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be higher or lower than actual data quoted. Call 1.888.622.1813 or visit www.sprottets.com for current month end performance. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

* Returns less than one year are not annualized.

¹ Inception Date: 12/3/2019. URNM was reorganized from the North Shore Global Uranium Mining ETF into the Sprott Uranium Miners ETF on 4/25/2022. URNM is a continuation of the prior ETF and, therefore, the performance information shown includes the prior ETF's performance.

² Market Price is based on the midpoint of the bid/ask spread at 4 p.m. ET and does not represent the returns an investor would receive if shares were traded at other times.

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⁴ Reflects Total Annual Operating Expenses as outlined in the prospectus dated April 25, 2022. For the services the Adviser (Sprott Asset Management LP) provides to the Fund, the Adviser is entitled to receive an annual advisory fee from the Fund calculated daily and paid monthly at an annual rate of 0.85% on up to \$500 million in assets, 0.80% on the next \$500 million in assets, and 0.70% on assets greater than \$1 billion.



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About Sprott – Sprott is a global asset manager providing clients with access to precious metals and real assets investment strategies. We are specialists. Our knowledge, experience and relationships separate us from our peers. Sprott’s investment products include innovative physical bullion and commodity trusts, managed equities, mining ETFs, as well as private equity and debt strategies. We also partner with natural resource companies to help meet their capital needs through our brokerage and resource lending activities. Sprott has offices in Toronto, New York, San Diego and London. Sprott Inc.’s common shares are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol “SII”.

Sprott

IMPORTANT DISCLOSURES & DEFINITIONS

An investor should consider the investment objectives, risks, charges and expenses carefully before investing. To obtain a Sprott Uranium Miners ETF Statutory Prospectus, which contains this and other information, visit <https://sprottetfs.com/urnm/prospectus/>, contact your financial professional or call 1.888.622.1813. Read the Prospectus carefully before investing.

The Fund is not suitable for all investors. There are risks involved with investing in ETFs including the loss of money. The Fund is considered non-diversified and can invest a greater portion of assets in securities of individual issuers than a diversified fund. As a result, changes in the market value of a single investment could cause greater fluctuations in share price than would occur in a diversified fund.

The Fund’s investments will be concentrated in the uranium industry. As a result, the Fund will be sensitive to changes in, and its performance will depend to a greater extent on, the overall condition of the uranium industry. Also, uranium companies may be significantly subject to the effects of competitive pressures in the uranium business and the price of uranium. The price of uranium may be affected by changes in inflation rates, interest rates, monetary policy, economic conditions and political stability. The price of uranium may fluctuate substantially over short periods of time, therefore the Fund’s share price may be more volatile than other types of investments. In addition, they may also be significantly affected by import controls, worldwide competition, liability for environmental damage, depletion of resources, mandated expenditures for safety and pollution control devices, political and economic conditions in uranium producing and consuming countries, and uranium production levels and costs of production. Demand for nuclear energy may face considerable risk as a result of, among other risks, incidents and accidents, breaches of security, ill-intentioned acts of terrorism, air crashes, natural disasters, equipment malfunctions or mishandling in storage, handling, transportation, treatment or conditioning of substances and nuclear materials.

Shares are not individually redeemable. Investors buy and sell shares of the Sprott Uranium Miners ETF on a secondary market. Only market makers or “authorized participants” may trade directly with the Fund, typically in blocks of 50,000 shares.

Funds that emphasize investments in small/mid-capitalization companies will generally experience greater price volatility. Funds investing in foreign and emerging markets will also generally experience greater price volatility. Diversification does not eliminate the risk of experiencing investment losses. ETFs are considered to have continuous liquidity because they allow for an individual to trade throughout the day.

A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses, affect the Fund’s performance.

ALPS Distributors, Inc. is the Distributor for the Sprott Uranium Miners ETF and is a registered broker-dealer and FINRA Member.

ALPS Distributors, Inc. is not affiliated with Sprott Asset Management LP.