



Uranium's January Jump

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Performance as of January 31, 2023

Indicator	1 MO*	3 MO*	1 YR
U308 Uranium Spot Price ¹	5.05%	-2.90%	17.63%
Uranium Mining Equities (Northshore Global Uranium Mining Index) ²	14.65%	8.53%	14.09%
Commodities (BCOM Index) ³	-0.89%	-1.37%	3.65%
U.S. Equities (S&P 500 TR Index) ⁴	6.28%	5.76%	-8.22%
U.S. Bonds (Bloomberg Barclays US Agg Total Return Value Unhedged USD Index) ⁵	3.08%	6.39%	-8.36%

Source: Bloomberg and Sprott Asset Management LP. Data as of January 31, 2023. **For the fund's standardized performance please see page 5. Past performance is no guarantee of future results.**

*Performance for periods under one year are not annualized.

Strong January Performance

January was a strong month for uranium markets, along with the broad equity and bond markets, but a mixed month for the commodity complex overall. The U308 uranium spot price rose from \$48.31 to \$50.75 per pound in January, a 5.05% increase, while uranium mining equities gained 14.65%. For the U308 uranium spot price, this marked a continuation of notable performance, having appreciated 14.74% in 2022 and 104.23% since December 31, 2019.¹ January's strong performance for uranium mining equities reflects a reversal of their 11.42% decline in 2022. The recent strength of uranium miners represents a return to their pre-2022 notable performance; for the period December 31, 2019, to January 31, 2023, uranium equities have gained 213.63%.

"There has been an unprecedented number of announcements for nuclear power plant restarts, life extensions and new builds that are likely to create incremental demand for uranium."

¹ The U308 uranium spot price is measured by a proprietary composite of U308 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 The Bloomberg Commodity Index (BCOM) is a broadly diversified commodity price index that tracks prices of futures contracts on physical commodities, and is designed to minimize concentration in any one commodity or sector. It currently has 23 commodity futures in six sectors.

⁴ The S&P 500 or Standard & Poor's 500 Total Return Index is a market-capitalization-weighted index of the 500 largest U.S. publicly traded companies.

⁵ The Bloomberg USAgg Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market.



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Figure 1. Uranium Outperforms Other Asset Classes in the Short Term (2019-2023)



Source: Bloomberg and Sprott Asset Management. Data as of 01/31/2023. 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 U3O8 uranium spot price is measured by a proprietary composite of U3O8 spot prices from TradeTech LLC. Included for illustrative purposes only. **Past performance is no guarantee of future results.**

Lifting Headwinds and Stronger Government Support

In 2022, the fundamentals for uranium and nuclear energy significantly strengthened and were bolstered by a continuous flow of endorsements from global governments. Despite this, uranium mining equities were dragged down in 2022 by their systemic risk to the overall markets, not surprising given last year's bear market in which the S&P 500 Index fell 18.11%.

January marked a pivotal month in shifting investor sentiment and diminishing headwinds for equity markets, which supported the surge in uranium mining equities. A combination of the "January Effect",⁶ lessening fears that the U.S. economy is heading toward recession and declining inflation, buoyed markets. Markets began their move higher on January⁶ when the December U.S. Jobs Report showed wage growth was below expectations, and indication that inflation pressures may be weakening.⁷ This eased concerns that Federal Reserve would continue its aggressive interest rate hikes. Market anxiety over Inflation and rate hikes further quelled on news that the year-over-year U.S. consumer price index fell from 7.1% in November to 6.5% in December.

In January, other market headwinds that dominated 2022 reversed course and helped to boost asset prices. Most notably, Europe's anticipated energy crisis was mitigated by warmer weather, and China reversed its long-standing zero COVID policy and reopened its economy. The reduction in these headwinds helped uranium mining equities flourish in January. We continue to believe the strong underlying fundamentals of the uranium sector will provide long-term structural support for uranium and uranium miners in the remainder of 2023.

⁶ Source Investopedia: The January Effect is the perceived seasonal tendency for stocks to rise in that month. The January Effect is theorized to occur when investors sell losers in December for tax-loss harvesting, only to re-buy new positions in January.

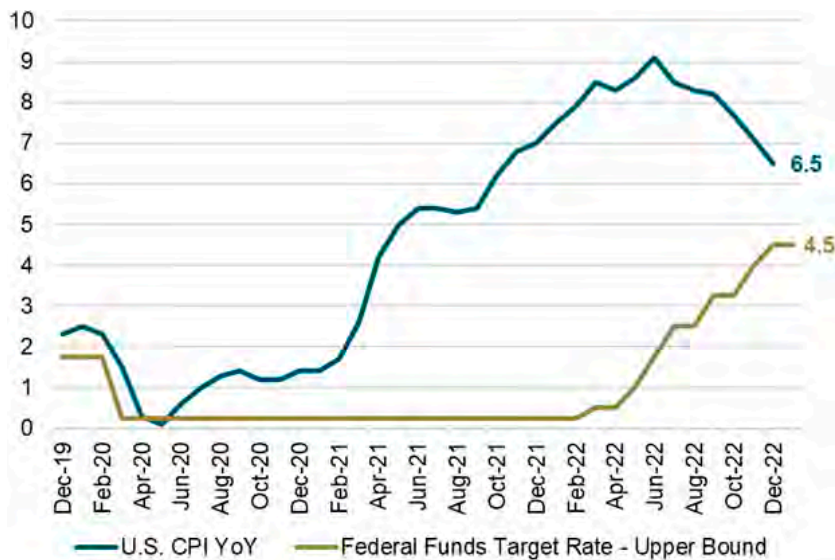
⁷ Source: Reuters: Sweden makes regulatory push to allow new nuclear reactors.



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Figure 2. Inflation and Federal Funds Target Rate in the Short-Term (2019-2023)



Source: Bloomberg. Data for Federal Funds Target Rate – Upper Bound as of 01/31/2023. Data for U.S. CPI YoY as of 12/31/2022, latest data available. Federal Funds Target Rate – Upper Bound is measured by FDTR Index and the U.S. CPI YoY is measured by CPY YOY Index. Included for illustrative purposes only. **Past performance is no guarantee of future results.**

January was also characterized by growing recognition by global governments that nuclear energy plays a vital dual role by supporting the energy transition and enhancing energy security. Belgium continued its U-turn on nuclear energy by extending the life of two nuclear reactors for 10 years⁸ — a tremendous policy change given that Belgium had planned for a complete nuclear phase-out by 2025. Sweden announced that it is preparing legislation to remove the rule that caps the number of nuclear reactors and prohibits new reactor construction in new locations,⁷ a noteworthy U-turn given the number of Swedish reactor closures over the past years. Finally, South Korea announced that it downgraded its plans for renewable energy in favor of nuclear energy,⁸ increasing its nuclear power goals from 24% to 33% of its total energy mix.

Positive Macro Outlook for Uranium and Nuclear Power

Looking beyond January, 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.

Nuclear energy and uranium's critical role in energy security may likely be paramount going forward. Russia's invasion of Ukraine sparked a global energy crisis that forced many countries to reimagine their energy supply chains. In past years, Western countries' energy policies have predominantly favored renewable energy as a way to reduce reliance on fossil fuels. However, renewables often suffer from intermittency and low capacity, and require offsets with base load energy sources, such as coal, natural gas or nuclear power plants. Of these, nuclear power has the highest base load capacity. We believe ongoing supply chain disruptions may likely cause utilities to seek out the base load reliability of nuclear power.

Prices for uranium conversion and enrichment services more than doubled in 2022, a significant outperformance relative to the U3O8 uranium spot price. We believe this upward price pressure will support the uranium spot price. While Russia accounts for a small portion of U3O8 production at 6% of the global total, it controls about 27% of the global uranium conversion capacity and 39% of fuel enrichment.⁹ Although there have yet to be sanctions on either Russian uranium or conversion and

⁸ Source: [Bloomberg: Korea Curbs Plans for Renewables in Push For More Nuclear](#).

⁹ Production of U3O8 from UxC LLC for 2021. Conversion and enrichment figures from Cameco Corp.



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enrichment services, and legacy contracts are being honored, utilities are not signing any new contracts with Russian entities. In response, Western countries are investing in and supporting the expansion of local conversion and enrichment capacity.

U.S. Restart of ConverDyn in 2023

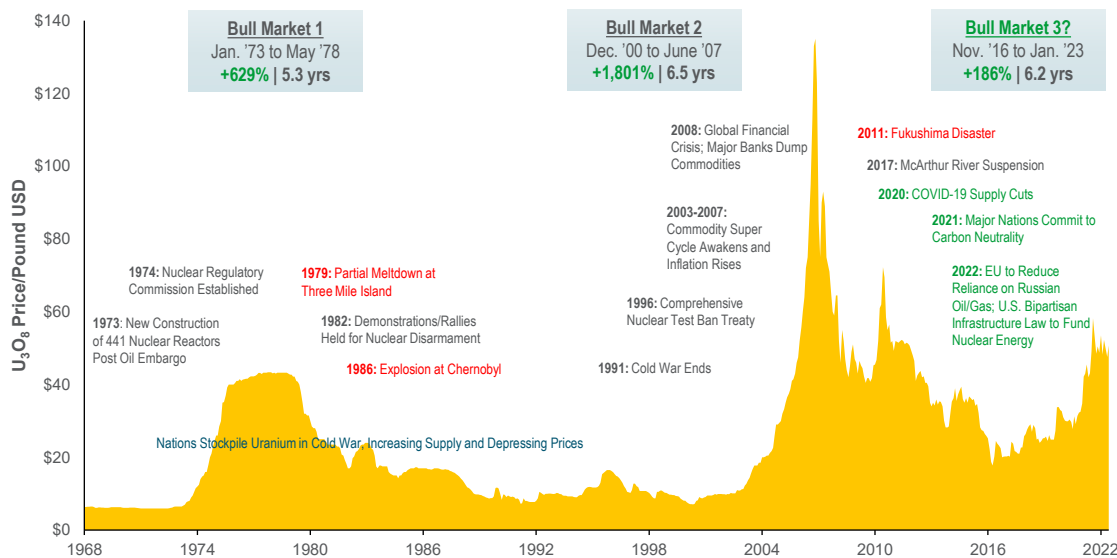
A key development expected in the first half of 2023 is the restart of the U.S.'s only domestic conversion facility, ConverDyn. This shift to Western conversion and a lack of enrichment capacity is the bottleneck for higher uranium demand. Once new conversion capacity comes online, we anticipate an industry shift from underfeeding to overfeeding (using more UF6 as feedstock to produce more enriched uranium) should significantly increase uranium demand in 2023 and beyond, which is ultimately supportive of uranium miners. Further, "available for sale" uranium inventories have mostly been sold and may likely not act as a significant source of secondary supply as in the past couple of years.

The energy transition movement is structural and we believe that nuclear energy is a crucial solution for decarbonizing the global energy supply. Growing global recognition by governments, catalyzed by the need for greater energy security, is likely to continue to be a dominant theme. In the U.S., the Inflation Reduction Act, Civil Nuclear Credit Program and the U.S. Federal Strategic Uranium Reserve will provide financial support to nuclear power plants, allowing them to compete more effectively with other energy sources. We also expect to see continued progress toward the build-out of new nuclear reactors in China and India (the world's two largest countries by population).

Uranium Bull Market Remains Intact

We believe the uranium bull market remains intact despite the uncertain macroeconomic environment. There has been an unprecedented number of announcements for nuclear power plant restarts, life extensions and new builds that are likely to create incremental demand for uranium. However, the current uranium price still remains below incentive levels to restart tier 2 production, let alone greenfield development.

Figure 3. Uranium Bull Market Continues (1968-2023)



Source: TradeTech Data as of 01/31/2023. Note: A "bull market" refers to a condition of financial markets where prices are generally rising. A "bear market" refers to a condition in financial markets where prices are generally falling. Included for illustrative purposes only. **Past performance is no guarantee of future results.**



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Sprott Uranium Miners ETF (NYSE Arca: URNM)

Sprott Uranium Miners ETF (NYSE Arca: URNM) is the only[^] ETF to provide pure-play^{^^} exposure to uranium miners and physical uranium essential to nuclear power. 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.

[^] Based on Morningstar's universe of Natural Resources Sector Equity ETFs as of 1/31/2023.

^{^^} The term "pure-play" relates directly to the exposure that the Fund has to the total universe of investable, publicly listed securities in the investment strategy.

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 likely underway, incentivizing miners and providing opportunities to investors
- 3. Critical Mineral in Clean Energy Transition** – Uranium and nuclear energy are critical to the clean energy transition
- 4. Supporting Energy Security** – Uranium and nuclear energy may help countries achieve a reliable and affordable source of electricity

Performance: Average Annual Total Returns* (%)

MONTH END AS OF 1/31/2023	1 MO	3 MO	YTD	1 YR	3 YR	S.I. ¹
Sprott Uranium Miners ETF (Net Asset Value)	14.77	8.35	14.77	13.43	50.22	44.28
Sprott Uranium Miners ETF (Market Price) ²	15.19	8.89	15.19	13.12	50.37	44.41
North Shore Global Uranium Mining Index (Benchmark) ³	14.65	8.53	14.65	14.09	51.35	45.50
QUARTER END AS OF 12/31/2022	1 MO	3 MO	YTD	1 YR	3 YR	S.I. ¹
Sprott Uranium Miners ETF (Net Asset Value)	-5.48	-2.46	-12.03	-12.03	38.64	39.36
Sprott Uranium Miners ETF (Market Price) ²	-6.56	-2.59	-11.88	-11.88	38.40	39.34
North Shore Global Uranium Mining Index (Benchmark) ³	-4.87	-2.44	-11.42	-11.42	39.85	40.62

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 4/22/2022. 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.

³ 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 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").

⁴ Reflects Total Annual Operating Expenses as outlined in the prospectus dated December 29, 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 leader in precious metal and energy transition investments. We are specialists. Our in-depth knowledge, experience and relationships separate us from the generalists. Our investment strategies include Exchange Listed Products, Managed Equities and Private Strategies. Sprott has offices in Toronto, New York and London and the company's common shares are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol "SII". For more information, please visit www.sprott.com.

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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://sprottets.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 10,000 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.

Sprott Asset Management LP is the investment advisor to the Sprott Uranium Miners ETF. 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.