Uncover Potential, Deliver Performance

Research Note

HoldCo Markets

August 1, 2025

Physical Uranium Inventory (U.UN-T, U.U-T & YCA-L)

Monthly U NAV Update: Inventory Continues to Ramp Higher

Event

The spot uranium price ended the month of July -9.5% lower, settling at $71.25 per lb (Numerco). That said, the price range during the month was between $70.75-$77.88 per lb. The price decline during the month essentially reversed the +9.5% monthly gain seen during the previous month in June. Following the bought deal for 11.6M units announced in May, the Trust has continued to systematically add to its uranium inventory: 1.45M lbs were added in June, a further 750,000 lbs were added in July. The Trust now holds just over 68.4M lbs in inventory. This represents a notable 3.5x increase to the 18.3M lbs held just four years ago when the Trust was launched, post Uranium Participation Corp. acquisition.

Details

- **Japan Plans for First Post-Fukushima NPP –** As announced in late July, Kansai Electric Power Corp. (Kepco) laid out plans to build a next generation nuclear power plant in Fukui Prefecture. Currently, preparations are being undertaken for the preparation of a geological survey. If the ground is deemed to be acceptable, Kepco will submit an application to the Nuclear Regulation Authority to begin construction. Recall that though Kepco initially began a feasibility study for the new reactor in 2010, plans were suspended in the aftermath of the 2011 Fukushima disaster.
- **Cameco Posts Solid Q2/2025 Results –** Largely attributed to significant tailwinds from Westinghouse, adjusted net earnings of $308M on adjusted EBITDA of $673M was significantly higher compared to Q2/2024 and topped consensus expectations. On back of major construction activities on two reactors in the Czech Republic, Westinghouse swung from a net loss in Q2/2024 to net earnings of $126M (CCJ's share) this quarter. Moreover, on the fuel services front, adjusted EBITDA increased by 36% compared to the same period in 2024 largely due to higher sales and a decrease in cost of sales. JV Inkai continues to target 8.3M lbs (CCJ's share) for the year.
- **Kazatomprom & Others Making Production Progress –** KAP recently announced a 14% y/y increase in quarterly production as 9.01M lbs U3O8 was produced in Q2/2025 (KAP's share). Domestically, UR-Energy and enCore Energy also posted higher ISR extraction rates in Q2/2025. Denison noted the start of SABRE mining with its McClean Lake JV (Orano) in the Athabasca Basin.

Conclusion

Given current pricing, SPUT's discount to NAV increased from last month's -5.7% to the current -6.9% with the Trust now trading at a 0.93x P/NAVPU relative to its intrinsic value of $23.96. Note that following a slight valuation premium in September 2023, the valuation discount has largely been maintained since. Given our LT $80/lb price objective for the spot and a constant CAD/USD exchange rate, our 0.95x NAVPU valuation of $26.15 (rounded) is maintained.

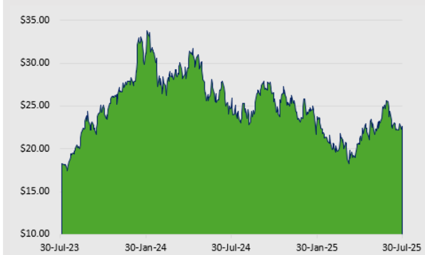
For YCA, given the most recent spot U3O8 quote at $71.25/lb (or £54.15/lb), YCA is trading at 0.89x P/NAVPU, or at a -10.7% discount given the current 1.0x NAVPU intrinsic value of £548.60. Given our LT $80/lb price objective for the spot and a constant GBP/USD foreign exchange rate, our 0.80x NAVPU valuation of £583.00 (rounded) is maintained. The full details can be found here:

Company Profile

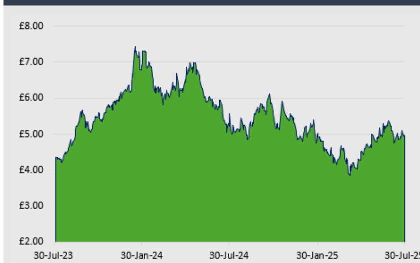
Sector	Mining - Inventory
Sub-Sector	Uranium
Company	Sprott Physical U Trust
Ticker	U.UN, U.U
Current Price (C$)	$22.31
12-Mth Price Objective (C$)	$26.15
Potential Upside	+17.2%
Mkt Cap, Basic (C$M)	$6,021
EV (C$M)	$5,956
Shares O/S Basic (M)	283.37
1-Mth Return	-12.5%
3-Mth Return	+8.4%
YTD Return	-10.3%

Sector	Mining - Inventory
Sub-Sector	Uranium
Company	Yellow Cake plc
Ticker	YCA-L
Current Price (GBp)	£489.80
12-Mth Price Objective (GBp)	£583.00
Potential Upside	+19.0%
Mkt Cap, Basic (GBp M)	£1,072
EV (GBp M)	£1,056
Shares O/S Basic (M)	216.86
1-Mth Return	-7.0%
3-Mth Return	+14.2%
YTD Return	-2.0%

2-Year Stock Chart – U.UN



2-Year Stock Chart - YCA



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