

February 1, 2024

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

Monthly Uranium NAV Update : Spot Price Tops \$100/lb

Event

The uranium spot price continued its upward march on the month as it advanced by +11.5% to reach a quote of \$102/lb to end the month of January. This current quote represents the latest sixteen year, post-Fukushima high. As the spot price continued higher inventory remained steady at both SPUT and Yellow Cake PLC given inventory levels of 63.162M lbs and 21.682M lbs respectively. Further adding to LT tightness in supply, Kazatomprom announced further reductions to FY/2024 production guidance.

Details

- **Kazatomprom Cuts Production Guidance** – Kazatomprom's Q4/2023 operational update was announced as generally mixed (attributable production of 3.1ktU or ~8.0M lbs U3O8). More importantly however, lower production guidance revisions were announced for both FY/2024 and FY/2025. For FY/2024, production guidance was lowered by 14% (100% at midpoint) to a range between 21.0ktU-22.5ktU (~54.5M-58.5M lbs). Given this downward revision, the previously announced FY/2025 production goal of between 30.5ktU-31.5ktU (79.0M-82.0M lbs, 100%) seems unlikely to be met. Consequently as demonstrated earlier in the year when production cuts were announced, adding to the projected supply deficit will only serve to further support near term uranium prices. Next up on the radar will be any additional color with regards to production when Cameco (CCJ) reports its Q4/2023 figures on February 8.
- **Japan Keeps Warming to Nuclear** – Following the announcement in December to authorize fuel loading in Units 6 & 7 at the Kashiwazaki-Kariwa nuclear power plant (Niigata prefecture), Japan has more recently added uranium to its list of critical minerals. This decision made by the Ministry of Economy, Trade & Industry seeks to reduce dependence on foreign sources, particularly from Russia. Recall that Japan is the world's third largest consumer of uranium.

Conclusion

Given current pricing, SPUT's discount to NAV increased from last month's -4.8% to the current -7.3%. Units are now trading at a 0.93x P/NAVPU relative to its intrinsic value of \$33.57. Given our revised LT \$120/lb price objective for the spot and constant CAD/USD exchange rate, our 1.05x NAVPU valuation of \$43.30 (rounded) is established and represents upside of +49.5% from the most recent close.

For YCA, given the most recent spot U3O8 quote at \$102.00/lb (or £79.56/lb), YCA is trading at 0.86x P/NAVPU, or at an -13.8% discount given the current 1.0x NAVPU intrinsic value of £807.28. Given our recently revised LT \$120/lb price objective for the spot and a constant GBP/USD foreign exchange rate, our 0.95x NAVPU valuation of £1,040 (rounded) is established. This equates to upside of +39.2% from the most recent close. 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\$)	\$31.11
12-Mth Price Objective (C\$)	\$43.30
Potential Upside	+39.2%
Mkt Cap, Basic (C\$M)	\$7,729
EV (C\$M)	\$7,678

Shares O/S Basic (M)	258.11
1-Mth Return	+10.1%
3-Mth Return	+24.4%
YTD Return	+10.1%

Sector	Mining - Inventory
Sub-Sector	Uranium
Company	Yellow Cake plc
Ticker	YCA-L

Current Price (GBP)	£695.55
12-Mth Price Objective (GBP)	£1,040.00
Potential Upside	+49.5%
Mkt Cap, Basic (GBP M)	£1,508
EV (GBP M)	£1,441

Shares O/S Basic (M)	216.86
1-Mth Return	+18.0%
3-Mth Return	+30.4%
YTD Return	+18.0%

2-Year Stock Chart – U.UN



2-Year Stock Chart - YCA



DISCLAIMER: Any written content contained herein should be viewed strictly as observation, analysis & opinion and not in any way as investment advice. No compensation was received for this report. Readers are encouraged to conduct their own due diligence.

X (Twitter): @HoldCoMarkets
 Website: HoldCoMarkets.com

February 1, 2024

The following Terms and Conditions govern the use by readers, clients, subscribers and any other use of HoldCo Markets Advisory Inc.'s ("HoldCo Markets" or "the firm") products and associated content which is made internally and selectively distributed/accessible via holdcomarkets.com, email and/or via select social media.

Any written content contained herein should be viewed strictly as analysis, observation & opinion and not in any way as investment advice. HoldCo Markets is neither a qualified financial advisor, broker or legal advisor. All information, data and reports should be strictly seen as for informational purposes only and should not be considered in any way as investment advice or a solicitation for any security. HoldCo Markets does not make any recommendations, the firm only offers opinions.

All content encompassing reports, writings and opinions are based on what the firm deems as reliable sources such as current news/corporate events, management interviews, SEC/SEDAR or any other regulatory filing and any other source deemed credible by the firm's publishing analysts given their significant industry experience. HoldCo Markets has not been provided with any material non-public information from any company mentioned in the report.

This report contains "forward-looking" statements. Company conclusions may involve forward-looking statements concerning future company or industry performance. Though the forward looking statements are based on fair and reasonable assumptions, actual performance or results may differ. Be reminded that market volatility is inherent with investing. Past performance is no guarantee of future performance. As such, an investment in any company mentioned in the above report should be viewed as speculative, and entered into only by those who can handle potential loss of capital. Recipients of any HoldCo Markets content looking to act on any of our opinions should consider whether any information contained in this report is suitable for their particular investing circumstance.

The views and opinions expressed herein are company specific and subject to change without notice. All material contained on this website and disseminated through email or social media is strictly for informational purposes only. One should not take any financial decisions based solely on what was written from this above report, rather one should consider whether any information contained in this report is suitable for their particular investing circumstance and should seek professional advice. Volatility and the possibility of loss is inherent with any investment decision, HoldCo Markets accepts no liability for any potential direct or indirect loss arising from the use of our research, website or any additional in-house content.

Research Notes: HoldCo Markets did not receive any form of compensation from the company or companies written about in Research Notes. Conclusions and opinions expressed in the reports have been formulated independently and objectively. Research Notes are strictly an expression of our views and opinions. No compensation was received for any Research Notes publication or for its distribution. As a non IIROC registered company, HoldCo Markets Advisory Inc. neither provides investment banking services nor does it make a market in any securities written about in Research Notes.

Spotlight Research: Holdco Markets publishes and distributes Spotlight Research which is a differentiated research product which is specifically issuer-paid. Monetary compensation has been received for a twelve-month research coverage period. The purpose of Spotlight Research is to highlight growth companies which have been largely overlooked by the larger broker/dealers, largely due to constraints related to size and liquidity. Spotlight Research is strictly an expression of our views and opinions. HoldCo Markets' publishing analysts retain full control over the conclusions and opinions regarding this issuer-paid research. As a non IIROC registered company, HoldCo Markets Advisory Inc. neither provides investment banking services nor does it make a market in any securities written about in Spotlight Research.

Holdco Markets, any publishing analyst or any HoldCo Markets Board member may at one point hold a direct or indirect position by way of equity, options, warrants or debt in any or none of the companies mentioned in either Research Notes or Spotlight Research. No person with any affiliation to HoldCo Markets serves in any capacity as an officer or Director in any of the companies mentioned in the above document. The distribution of any HoldCo Markets content has no relation to the distribution of securities nor is it in any way a solicitation to buy or sell any security.

Reprinting any content or information from this report is strictly prohibited without permission. For more information or to receive future reports, please visit [Home \(holdcomarkets.com\)](http://Home(holdcomarkets.com))