

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

### Monthly U NAV Update: Spot Lower Despite Production Cuts

#### Event

The spot uranium price ended the month of January with a monthly loss of -4.7%, settling at \$71.00 per lb (Numerco), slightly off the monthly lows. That said, January's range was between \$74.65-\$68.00 per lb., with talk of tariffs and (overblown) AI fears putting a damper on sentiment. On the corporate front, 2025 started off with quite the volatile press release from Kazatomprom announcing a temporary suspension of production due to delays in receiving the necessary approvals under the "Subsoil Use Agreement" from authorities. Though the fear was that a prolonged suspension would drive Cameco/Kazatomprom (40/60 JV) to make additional market purchases to cover sales commitments, on January 27 it was announced that Inkai production has resumed. There was additional production volatility elsewhere on the corporate front. As if even more proof was needed, uranium mining is a challenging endeavor.

#### Details

- **Growing Pains: Paladin Energy** – Production cutback have been prevalent with Paladin Energy. Though water issues seem to have been resolved at Langer Heinrich, FY/2025 production forecasts have been lowered from 4.0M-4.5M lbs to the current 3.0M-3.6M lb forecast. We note however that the plant has been performing relatively well with recoveries at 88% in Q4/2024. Grade variability issues continue to persist however.
- **Growing Pains II: Peninsula Energy** – FY/2025 production guidance is also somewhat problematic with Peninsula Energy. Though ISR production from Lance officially re-started in mid-December, challenging weather and supply issues have been communicated from the lead contractors who now envision the completion of the Lance CPP sometime in the June 2025 quarter. Peninsula had previously forecast completion of the CPP, and commissioning of the first drying unit enabling production of the first dry yellowcake, at the end of the March quarter. Since December, the loading of uranium onto resin for elution continues and the site is looking into short term options to store loaded resin during the commissioning of the CPP. Recall that FY/2025 guidance was previously set at 600,000 lbs.

#### Conclusion

Given current pricing, SPUT's discount to NAV increased from last month's -4.2% to the current -7.1% with the Trust now trading at a 0.93x P/NAVPU relative to its intrinsic value of \$25.23. Note that following a slight valuation premium in September 2023, the valuation discount has largely been maintained since. We note that 108,500 lbs of uranium inventory was added last month. Given our LT \$120/lb price objective for the spot and a constant CAD/USD exchange rate, our 0.95x NAVPU valuation of \$39.30 (rounded) is maintained.

For YCA, given the most recent spot U3O8 quote at \$71.00/lb (or £56.80/lb), YCA is trading at 0.85x P/NAVPU, or at a -14.5% discount given the current 1.0x NAVPU intrinsic value of £575.48. Given our LT \$120/lb price objective for the spot and a constant GBP/USD foreign exchange rate, our 0.80x NAVPU valuation of £870 (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\$)	\$23.44
12-Mth Price Objective (C\$)	\$39.30
Potential Upside	+67.7%
Mkt Cap, Basic (C\$M)	\$6,271
EV (C\$M)	\$6,089

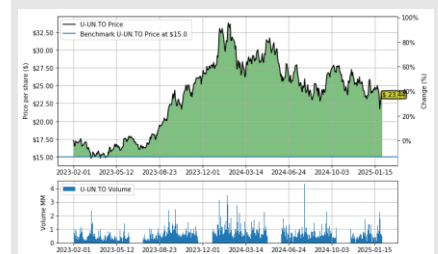
Shares O/S Basic (M)	269.9
1-Mth Return	-5.7%
3-Mth Return	-8.8%
YTD Return	-5.7%

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

Current Price (GBP)	£492.20
12-Mth Price Objective (GBP)	£870.00
Potential Upside	+76.8%
Mkt Cap, Basic (GBP M)	£1,067
EV (GBP M)	£1,048

Shares O/S Basic (M)	216.86
1-Mth Return	-1.5%
3-Mth Return	-9.2%
YTD Return	-1.5%

#### 2-Year Stock Chart – U.UN



#### 2-Year Stock Chart - YCA



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