

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

### Monthly U NAV Update: Banks & Big Tech Embrace Nuclear

#### Event

The spot uranium price ended the month of September with a monthly gain of +3.3%, settling at \$81.88 per lb (Numerco). That said, the monthly range was between \$81.88-\$79.25 per lb. The big news during the month was the corporate world's highly publicized turn to nuclear power. Last week, fourteen of the world's largest financial institutions announced that they would be lending money to support nuclear power projects. Meanwhile, big tech continues to pile into nuclear power in order to secure the carbon free, baseload power needed to run ambitious AI and datacenter rollouts.

#### Details

- **Embracing Nuclear: First Big Tech, now the Big Banks** – Last week, fourteen of the world's largest financial institutions pledged to back the COP28 goal to triple global nuclear energy capacity by 2050. The financial institutions recognized that global civil nuclear energy projects have an important role to play in the transition to a low-carbon economy. They further expressed support for long-term objectives of expanding nuclear electricity generation and the broader nuclear industry to accelerate the clean energy transition. As such, a major announcement was announced jointly by Microsoft and Constellation for the re-start of the Unit 1 reactor at Three Mile Island. Moreover, having secured a \$1.50B loan, Holtec announced plans to re-start the Palisades NPP next year.
- **Domestic Uranium Production Still Anemic, but Growing** - The EIA last week provided the latest stats for the Q2/2024 period. Domestic uranium production amounted to 97,709 lbs with Lost Creek (URG) contributing 64,170 lbs and Rosita (EU) contributing 29,508 lbs. Though at still rather anemic numbers, we note that the 97,709 total lbs represents the latest multi-year quarterly high. We also note that in terms of additional near-term production, Alta Mesa (EU) just recently announced the start of production while Lance (PENMF) is still scheduled to begin ISR production by year end. These two projects will be material as they both have run rates of 1.0M+ lbs annually.
- **Peripheral U Pricing Remains High** - Conversion prices remain at an all-time high at \$71/kgU while enrichment pricing also remains at an all-time high at \$180/SWU.

#### Conclusion

Given current pricing, SPUT's discount to NAV decreased from last month's -6.1% to the current -3.8% with the Trust now trading at a 0.96x P/NAVPU relative to its intrinsic value of \$27.24. Note that following a slight valuation premium in September 2023, the valuation discount has largely been maintained since. We note that 100,000 lbs of uranium inventory was added last month while the units outstanding increased by 1.167M. Given our LT \$120/lb price objective for the spot and a constant CAD/USD exchange rate, our 1.0x NAVPU valuation of \$41.35 (rounded) is maintained.

For YCA, given the most recent spot U3O8 quote at \$81.88/lb (or £61.41/lb), YCA is trading at 0.90x P/NAVPU, or at a -10.2% discount given the current 1.0x NAVPU intrinsic value of £622.48. Given our LT \$120/lb price objective for the spot and a constant GBP/USD foreign exchange rate, our 0.9x NAVPU valuation of £980 (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\$)	\$26.19
12-Mth Price Objective (C\$)	\$41.35
Potential Upside	+57.8%
Mkt Cap, Basic (C\$M)	\$6,980
EV (C\$M)	\$6,539

Shares O/S Basic (M)	267.68
1-Mth Return	+6.2%
3-Mth Return	+3.3%
YTD Return	-7.3%

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

Current Price (GBP)	£559.00
12-Mth Price Objective (GBP)	£980.00
Potential Upside	+75.3%
Mkt Cap, Basic (GBP M)	£1,213
EV (GBP M)	£1,107

Shares O/S Basic (M)	216.86
1-Mth Return	+6.1%
3-Mth Return	-2.0%
YTD Return	-9.8%

#### 2-Year Stock Chart – U.UN



#### 2-Year Stock Chart - YCA



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