

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

### Monthly U NAV Update: Spot Down, Conversion & SWU at ATH

#### Event

The spot uranium price ended lower in November with a monthly decline of -1.8%, settling at \$76.63 per lb (Numerco). Along with large-scale permitting wins by NexGen Energy and Denison Mines, the big news this week was Russia's imposition of a "temporary" enriched uranium export ban to the United States as announced in mid-November. Though some have claimed that this event would be the trigger event for a sustained rally in the spot price, we continue to take the opposite view, arguing that (in the near-term at least), this is hardly the catalyst needed for LT spot increases. We see the sudden imposition of the ban as Russia gaining an additional bargaining chip ahead of the US Presidential transition in January. That said, conversion and enrichment prices have reached the latest all-time highs.

#### Details

- **Permitting Wins in the Athabasca Basin** – Given the historic Canadian Nuclear Safety Commission (CNSC) technical reviews for both Wheeler River and Rook I, we expect final project hearings in early 2025. Given a positive outcome, construction for both respective projects may commence sometime later in 2025. The timing of Wheeler River and Rook I coming online in ~2028 signifies a critical point in what we continue to see a material uranium deficit steadily increasing into 2040. This uranium deficit will be accentuated by steady demand growth at ~3% CAGR coupled with an increase in resource depletion in the years ahead.
- **Temporary Export Ban of Enriched Uranium** - We see the sudden imposition of the enriched uranium ban to the US as Russia gaining an additional bargaining chip ahead of the US Presidential transition in January. With a new administration at the helm, it will be likely that Russia may receive some form of economic sanctions relief, in exchange for certain concessions. The enriched uranium ban may very well be reversed in the months ahead as part of the negotiations. The market clearly sees this narrative over the near-term given the spot price drop in the days following Russia's announcement.
- **Peripheral U Pricing at Fresh All-Time Highs** - Conversion prices remain at an all-time high at \$98.5/kgU while enrichment pricing also remains at an all-time high at \$182/SWU.

#### Conclusion

Given current pricing, SPUT's discount to NAV increased from last month's -2.7% to the current -3.9% with the Trust now trading at a 0.96x P/NAVPU relative to its intrinsic value of \$26.47. 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 1.0x NAVPU valuation of \$41.30 (rounded) is maintained. For YCA, given the most recent spot U3O8 quote at \$76.63/lb (or £60.17/lb), YCA is trading at 0.89x P/NAVPU, or at a -10.7% discount given the current 1.0x NAVPU intrinsic value of £610.48. 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\$)	\$25.41
12-Mth Price Objective (C\$)	\$41.35
Potential Upside	+62.5%
Mkt Cap, Basic (C\$M)	\$6,741
EV (C\$M)	\$6,639

Shares O/S Basic (M)	269.87
1-Mth Return	+1.3%
3-Mth Return	+3.0%
YTD Return	-10.1%

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

Current Price (GBP)	£545.00
12-Mth Price Objective (GBP)	£980.00
Potential Upside	+79.8%
Mkt Cap, Basic (GBP M)	£1,182
EV (GBP M)	£1,077

Shares O/S Basic (M)	216.86
1-Mth Return	+0.7%
3-Mth Return	+4.8%
YTD Return	-11.7%

#### 2-Year Stock Chart – U.UN



#### 2-Year Stock Chart - YCA



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

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