



### The Optimistic News Continues

#### Performance as of November 30, 2022

Indicator	1 MO*	3 MO*	YTD*	1 YR
U308 Uranium Spot Price <sup>1</sup>	-5.42%	-6.42%	17.40%	7.51%
Uranium Mining Equities (Northshore Global Uranium Mining Index) <sup>2</sup>	-0.46%	-13.98%	-6.84%	-13.73%
Commodities (BCOM Index) <sup>3</sup>	2.38%	-4.59%	17.02%	21.14%
U.S. Equities (S&P 500 TR Index) <sup>4</sup>	5.59%	3.63%	-13.10%	-9.21%
U.S. Bonds (Bloomberg Barclays US Agg Total Return Value Unhedged USD Index) <sup>5</sup>	3.68%	-2.09%	-12.62%	-12.84%

Source: Bloomberg and Sprott Asset Management LP. Data as of November 30, 2022. For the fund's standardized performance please see page 5. **Past performance is no guarantee of future results.**

\*Performance for periods under one year are not annualized.

#### Tepid Month for Uranium Markets

November saw modest rebounds across most asset classes, including the equity, bond and commodity markets, providing a partial reversal in the larger drawdowns of 2022. Physical uranium did not perform as well as other sectors in November, despite having posted relatively notable performance throughout 2022. The U308 uranium spot price fell from \$52.27 to \$49.43 per pound in November, a 5.42% decrease.<sup>6</sup> Uranium has increased by 17.40% on a year-to-date basis as of November 30, 2022. Uranium mining equities were mostly flat. Year to date, uranium miners have declined 6.84% as measured by the North Shore Global Uranium Mining Index.

Growing expectations that the Federal Reserve would slow the pace of its rate hikes helped improve market sentiment. This was accentuated on November 30 when Federal Reserve Chairman Jerome Powell said, "The time for moderating the pace of rate increases may come as soon as the December meeting" during a speech at the Brookings Institution in Washington.<sup>7</sup> After the announcement, many asset classes, including uranium equities, reacted positively. Physical uranium, as measured by the U308 spot price, did not respond as positively to the Fed news.

<sup>1</sup> The U308 uranium spot price is measured by a proprietary composite of U308 spot prices from UxC, S&P Platts and Numerco.

<sup>2</sup> The North Shore Global Uranium Mining Index (URNMX) was created by North Shore Indices, Inc. (the "Index Provider"). The Index Provider developed the methodology for determining the securities to be included in the Index and is responsible for the ongoing maintenance of the Index. The Index is calculated by Indxx, LLC, which is not affiliated with the North Shore Global Uranium Miners Fund ("Existing Fund"), ALPS Advisors, Inc. (the "Sub-Adviser") or Sprott Asset Management LP (the "Adviser").

<sup>3</sup> The Bloomberg Commodity Index (BCOM) is a broadly diversified commodity price index that tracks prices of futures contracts on physical commodities, and is designed to minimize concentration in any one commodity or sector. It currently has 23 commodity futures in six sectors.

<sup>4</sup> The S&P 500 or Standard & Poor's 500 Index is a market-capitalization-weighted index of the 500 largest U.S. publicly traded companies.

<sup>5</sup> The Bloomberg USAgg Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market.

<sup>6</sup> Source: UxC, S&P Platts, and Numerco data as of 31 October 2022.

<sup>7</sup> Source: [NY Times, Powell Says Fed Could Slow Rate Increases at Next Meeting.](#)

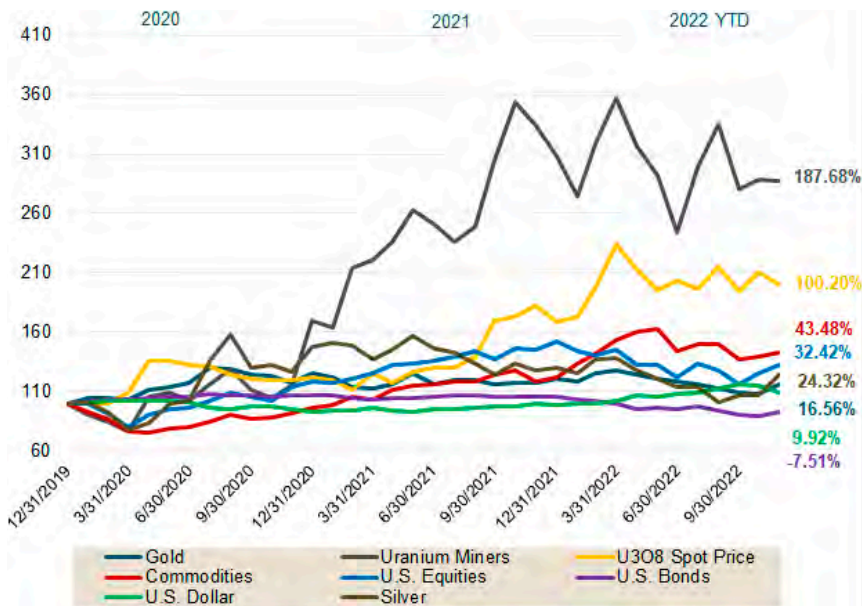
"Physical uranium and uranium miners are well positioned to take share within the energy sector."



# Uranium Report

December 8, 2022

**Figure 1. Uranium Outperforms Other Asset Classes in the Short-Term** (12/31/2019 – 11/30/2022)



Source: Bloomberg and Sprott Asset Management. Data as of 11/30/2022. Gold is measured by GOLDS Comdty Spot Price; S&P 500 TR is measured by the SPX; BCOM is the Bloomberg Commodity Index; US Agg Bond Index is measured by the Bloomberg Barclays US Agg Total Return Value Unhedged USD (LBSTRUUU Index); the U.S. Dollar is measured by DXY Curncy and the U308 uranium spot price is measured by a proprietary composite of U308 spot prices from TradeTech LLC. Included for illustrative purposes only. **Past performance is no guarantee of future results.**

Positive news continued to flow for uranium and nuclear energy in November, supporting our view that nuclear power is no longer on the sidelines of international energy and climate conversations. The United Nations Conference COP27 took place this month, seven years after the signing of the Paris Agreement, and saw world leaders convene to discuss their collective commitments to limit global warming to below 2, preferably to 1.5 degrees Celsius compared to pre-industrial levels. For the first time, there was a focused pavilion on nuclear energy led by the International Atomic Energy Agency (IAEA). This is a positive development given that at COP26 last year, nuclear energy was “snubbed” with the climate summit’s refusal to acknowledge nuclear power’s role in global energy production.<sup>8</sup> At COP27, the global nuclear industry released a joint statement to “urge decision makers to acknowledge and support the need for increased nuclear energy generation” and gave a call to action for investments in nuclear new builds, nuclear innovation and more.<sup>9</sup>

In terms of tangible outcomes, COP27 ended with an agreement mostly affirming the decisions from the previous COP meetings. However, the agreement also changed the language to increase “low-emission” energy sources instead of only renewables.<sup>10</sup> This development favored nuclear energy, which has long been identified as critical to decarbonizing energy supplies away from fossil fuels. However, as renewable energy sources have seen substantial investments in recent years, we believe nuclear power must be further prioritized. Nuclear energy has the highest capacity factor versus traditional and alternative energy sources and can complement renewable energy sources’ intermittency with reliable baseload power.

<sup>8</sup> Source: [The American Prospect, A Nuclear Cop-Out in Glasgow.](#)

<sup>9</sup> Source: [World Nuclear Association, Joint statement of the global nuclear industry regarding the critical role of nuclear energy within the current geopolitical context.](#)

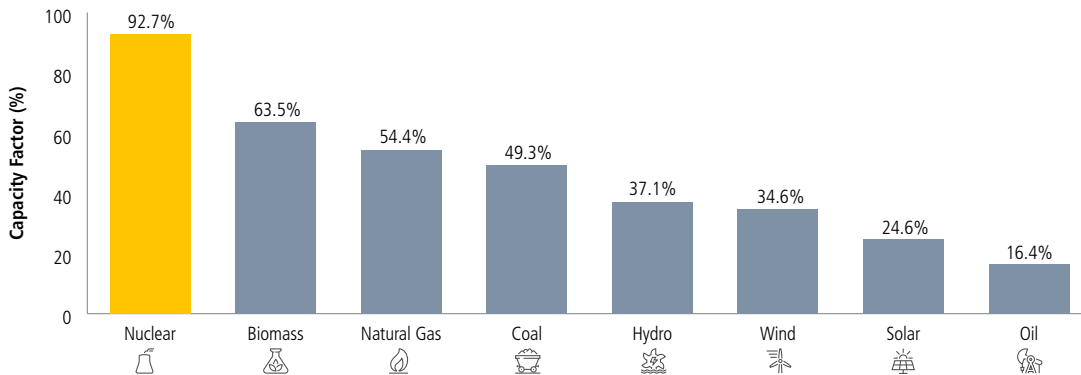
<sup>10</sup> Source: [UN Climate Change, Sharm el-Sheikh Implementation Plan.](#)



# Uranium Report

December 8, 2022

**Figure 2. Nuclear Energy is Reliable**



Source: U.S. Energy Information Administration and Energy.gov. Data as of March 2022.

## Uranium Mining Developments

Two uranium mining companies made important announcements on project restarts in November. Cameco Corp. (Cameco) announced that its McArthur River mine has restarted, with the first pounds of uranium ore milled and packaged in November.<sup>11</sup> Cameco President and CEO Tim Gitzel stated, “Market conditions have continued to strengthen since we announced their planned restart, with growing geopolitical uncertainty adding to energy security concerns worldwide, and the ongoing global emphasis on decarbonization and electrification only gaining momentum”. Also, Peninsula Energy Limited announced that it would restart its Lance uranium project operations in Wyoming.<sup>12</sup> These corporate developments showcase the positive developments occurring in the uranium mining sector. We expect to see more project restarts as uranium market fundamentals continue to improve.

## Energy Shortages and Higher Prices Support Uranium’s Bullish Outlook

November’s performance for physical uranium and uranium mining equities has been in direct contrast to the strong fundamental supply-demand backdrop. The price of U3O8 uranium has lagged since May 2022, while conversion and enriched uranium prices have appreciated for both short- and long-term purchase contracts. We believe that the current demand for uranium conversion and enrichment, coupled with a shift away from Russian suppliers, supports a further increase in the U3O8 uranium spot price, ultimately supporting uranium miners.

The tension in the uranium markets is palpable. The unprovoked Russian invasion of Ukraine continues, and sanctions have yet to be on the deliveries of Russian uranium products and services. As the situation unfolds, Russian supplies to Western utilities may be in jeopardy, and this may have substantial impacts on the uranium markets. As Russia plays more of a dominant role in conversion and enrichment than in uranium mining, western enrichers will need greater amounts of uranium for their enrichment needs. Therefore in 2023, we expect to see a transition from “underfeeding” to “overfeeding” by enrichment facilities which in turn impacts further up the nuclear fuel chain by acting as a catalyst for the U3O8 spot market in the near term. We believe “available for sale” uranium inventories have mostly been sold, and we expect upward pressure may likely be exerted on the U3O8 spot price, potentially benefitting uranium miners. The confluence of these factors makes the uranium markets particularly sensitive to additional disruptions. We think that it is just a matter of time before the price increases seen in the conversion and enrichment markets are realized in other areas of the uranium markets.

<sup>11</sup> Source: [Cameco, Cameco Produces First Packaged Pounds Following McArthur River/Key Lake Restart](#).

<sup>12</sup> Source: [WNN, Peninsula Energy to restart Wyoming uranium operation](#).



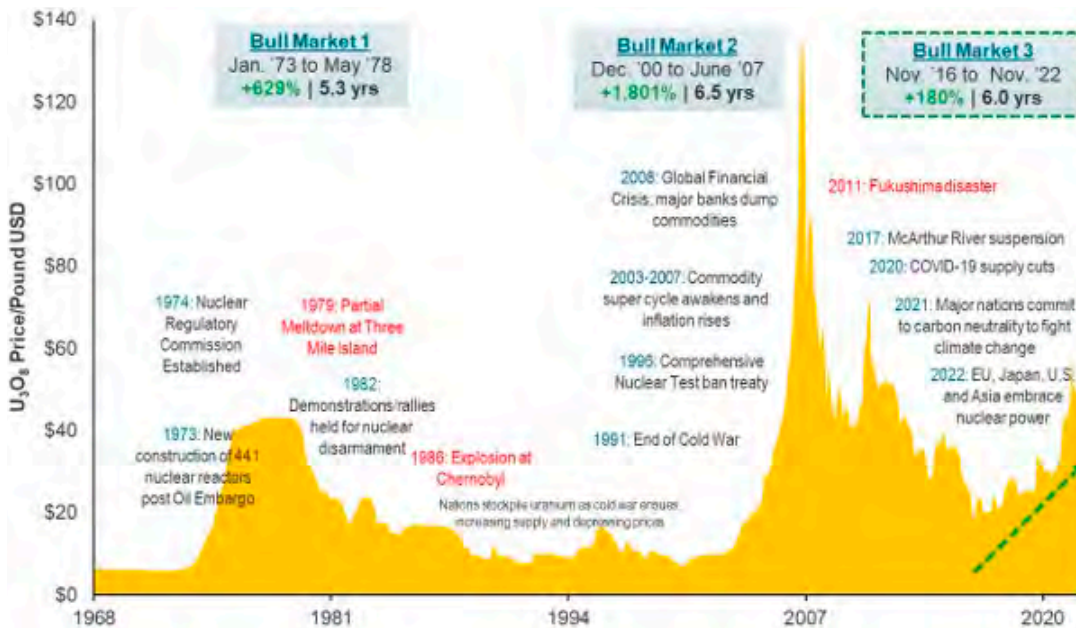
# Uranium Report

December 8, 2022

We believe a new uranium bull market remains intact despite the challenging macroeconomic environment. There has been an unprecedented number of announcements for nuclear power plant restarts, life extensions and new builds that are all creating incremental demand for uranium. However, the current uranium price still remains below incentive levels to restart tier 2 production and greenfield development. Over the long term, increased demand in the face of an uncertain uranium supply may likely support a new bull market. For investors, uranium miners have historically exhibited low/moderate correlation to many major asset classes, potentially providing portfolio diversification.

In our view, physical uranium and uranium miners are well positioned to take share within the energy sector as energy security and decarbonization increase in importance. With the number of nuclear reactors planned to increase by 35%, governments are signaling the need to embrace the reliable, efficient, clean and safe energy produced by nuclear to meet ambitious decarbonization goals.<sup>13</sup> At the same time, a uranium supply deficit remains entrenched, and uranium miners may be the recipients of increased investment, which may bring the market back into balance.

**Figure 3. Uranium Bull Market Continues (1968-2022)**



Note: A "bull market" refers to a condition of financial markets where prices are generally rising. A "bear market" refers to a condition of financial markets where prices are generally falling.

Source: TradeTech Data as of 11/30/2022.

<sup>13</sup> Source: World Nuclear Association as of 1/31/2022.



# Uranium Report

December 8, 2022

## Sprott Uranium Miners ETF (NYSE Arca: URNM)

**Sprott Uranium Miners ETF (NYSE Arca: URNM)** seeks to invest at least 80% of its total assets in securities of the North Shore Global Uranium Mining Index (URNMX). The Index is designed to track the performance of companies that devote at least 50% of their assets to the uranium mining industry, which may include mining, exploration, development and production of uranium, or holding physical uranium, owning uranium royalties or engaging in other, non-mining activities that support the uranium mining industry. The URNM Index is rebalanced semi-annually.

### Key Points:

- 1. Pure-Play Uranium ETF** – A U.S.-listed Uranium ETF focused on uranium miners and physical uranium
- 2. Uranium Bull Market** – A new uranium bull market is underway, incentivizing miners and investors
- 3. Clean Energy Transition** – Uranium and nuclear energy may be critical to the clean energy transition
- 4. Energy Security** – Uranium and nuclear energy may help countries achieve energy security – reliable and affordable electricity

### Performance: Average Annual Total Returns\* (%)

<b>MONTH END AS OF 11/30/2022</b>	<b>1 MO</b>	<b>3 MO</b>	<b>YTD</b>	<b>1 YR</b>	<b>S.I.<sup>1</sup></b>
Sprott Uranium Miners ETF (Net Asset Value)	-0.12	-13.70	-6.94	-14.16	43.31
Sprott Uranium Miners ETF (Market Price) <sup>2</sup>	1.18	-12.38	-5.69	-12.06	43.83
North Shore Global Uranium Mining Index (Benchmark) <sup>3</sup>	-0.46	-13.98	-6.84	-13.73	44.35
<b>QUARTER END AS OF 9/30/2022</b>	<b>1 MO</b>	<b>3 MO</b>	<b>YTD</b>	<b>1 YR</b>	<b>S.I.<sup>1</sup></b>
Sprott Uranium Miners ETF (Net Asset Value)	-16.37	13.75	-9.82	-8.88	44.77
Sprott Uranium Miners ETF (Market Price) <sup>2</sup>	-15.95	14.15	-9.54	-9.95	44.81
North Shore Global Uranium Mining Index (Benchmark) <sup>3</sup>	-16.17	14.67	-9.21	-7.96	46.18

### Fees and Expenses (%) as of the most recent prospectus<sup>4</sup>

Management Fee	0.85
Other Expenses	0.00
<b>Total Annual Fund Operating Expenses</b>	<b>0.85</b>

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be higher or lower than actual data quoted. Call 1.888.622.1813 or visit [www.sprottetfs.com](http://www.sprottetfs.com) for current month end performance. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

\* Returns less than one year are not annualized.

<sup>1</sup> Inception Date: 12/3/2019. URNM was reorganized from the North Shore Global Uranium Mining ETF into the Sprott Uranium Miners ETF on 4/22/2022. URNM is a continuation of the prior ETF and, therefore, the performance information shown includes the prior ETF's performance.

<sup>2</sup> Market Price is based on the midpoint of the bid/ask spread at 4 p.m. ET and does not represent the returns an investor would receive if shares were traded at other times.

<sup>3</sup> The North Shore Global Uranium Mining Index (URNMX) was created by North Shore Indices, Inc. (the "Index Provider"). The Index Provider developed the methodology for determining the securities to be included in the Index and is responsible for ongoing maintenance of the Index. The Index is calculated by Indxx, LLC, which is not affiliated with the North Shore Global Uranium Miners Fund ("Existing Fund"), ALPS Advisors, Inc. (the "Sub-Adviser") or Sprott Asset Management LP (the "Adviser").

<sup>4</sup> Reflects Total Annual Operating Expenses as outlined in the prospectus dated April 25, 2022. For the services the Adviser (Sprott Asset Management LP) provides to the Fund, the Adviser is entitled to receive an annual advisory fee from the Fund calculated daily and paid monthly at an annual rate of 0.85% on up to \$500 million in assets, 0.80% on the next \$500 million in assets, and 0.70% on assets greater than \$1 billion.



# Uranium Report

December 8, 2022

**About Sprott** – Sprott is a global asset manager providing clients with access to precious metals and real assets investment strategies. We are specialists. Our knowledge, experience and relationships separate us from our peers. Sprott’s investment products include innovative physical bullion and commodity trusts, managed equities, mining ETFs, as well as private equity and debt strategies. We also partner with natural resource companies to help meet their capital needs through our brokerage and resource lending activities. Sprott has offices in Toronto, New York, San Diego and London. Sprott Inc.’s common shares are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol “SII”.

## Sprott

### IMPORTANT DISCLOSURES & DEFINITIONS

An investor should consider the investment objectives, risks, charges and expenses carefully before investing. To obtain a Sprott Uranium Miners ETF Statutory Prospectus, which contains this and other information, visit <https://sprottetfs.com/urnm/prospectus/>, contact your financial professional or call 1.888.622.1813. Read the Prospectus carefully before investing.

The Fund is not suitable for all investors. There are risks involved with investing in ETFs including the loss of money. The Fund is considered non-diversified and can invest a greater portion of assets in securities of individual issuers than a diversified fund. As a result, changes in the market value of a single investment could cause greater fluctuations in share price than would occur in a diversified fund.

The Fund’s investments will be concentrated in the uranium industry. As a result, the Fund will be sensitive to changes in, and its performance will depend to a greater extent on, the overall condition of the uranium industry. Also, uranium companies may be significantly subject to the effects of competitive pressures in the uranium business and the price of uranium. The price of uranium may be affected by changes in inflation rates, interest rates, monetary policy, economic conditions and political stability. The price of uranium may fluctuate substantially over short periods of time, therefore the Fund’s share price may be more volatile than other types of investments. In addition, they may also be significantly affected by import controls, worldwide competition, liability for environmental damage, depletion of resources, mandated expenditures for safety and pollution control devices, political and economic conditions in uranium producing and consuming countries, and uranium production levels and costs of production. Demand for nuclear energy may face considerable risk as a result of, among other risks, incidents and accidents, breaches of security, ill-intentioned acts of terrorism, air crashes, natural disasters, equipment malfunctions or mishandling in storage, handling, transportation, treatment or conditioning of substances and nuclear materials.

**Shares are not individually redeemable. Investors buy and sell shares of the Sprott Uranium Miners ETF on a secondary market. Only market makers or “authorized participants” may trade directly with the Fund, typically in blocks of 50,000 shares.**

Funds that emphasize investments in small/mid-capitalization companies will generally experience greater price volatility. Funds investing in foreign and emerging markets will also generally experience greater price volatility. Diversification does not eliminate the risk of experiencing investment losses. ETFs are considered to have continuous liquidity because they allow for an individual to trade throughout the day.

A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses, affect the Fund’s performance.

ALPS Distributors, Inc. is the Distributor for the Sprott Uranium Miners ETF and is a registered broker-dealer and FINRA Member.

ALPS Distributors, Inc. is not affiliated with Sprott Asset Management LP.