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The Uranium Miners Opportunity

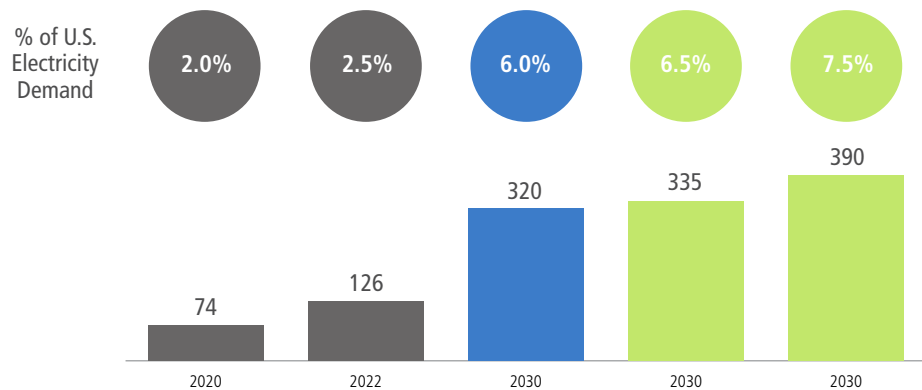
Key Takeaways

- **Uranium Market Consolidation:** At the end of 2024, the uranium spot price has stabilized between \$70 to \$80 per pound after a significant 88.54% increase in 2023. This phase indicates a healthy correction within a bullish market cycle.
- **Miners' Catch-Up:** Uranium miners have shown improved performance, catching up to gains in the spot price.
- **Long-Term Contracting Trends:** Long-term uranium contract prices point to higher uranium prices as contract ceilings reach \$130 per pound.
- **Geopolitical Impacts and Demand:** Geopolitical tensions and supply uncertainties persist, influencing uranium supply dynamics. Despite these challenges, global demand remains robust, driven by nuclear reactor restarts and new builds, supporting a sustained bullish outlook for uranium.

Artificial Intelligence and the Need for Electricity

Global electricity demand is estimated to increase by 169% by 2050.¹ Surging energy consumption in the East is driven by the urbanization and industrialization of developing countries, while the rise of artificial intelligence (AI), data centers, electrification and reshoring is driving demand in the West.

Figure 1. Data Center Electricity Consumption in the U.S. is Growing (TWhS)²



Source: Boston Consulting Group, the Impact of Electricity. Data as of 12/31/2023.

¹ Source: IEA World Energy Outlook 2024 Net Zero Emissions Scenario.

² Source: Boston Consulting Group, the Impact of Electricity.

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Globally, data centers' electricity demand is forecasted to grow 258% from 2023 to 2030.³ Growing demand from global data centers is expected to increase from 1.2% of global electricity supply to 4.1%.⁴ AI data centers require much more electricity for computing, cooling and other IT infrastructure compared to traditional data centers because of:

- Higher computational demands from complex algorithms and large datasets
- Increased workloads and demand for real-time data from continuous, intense computational workloads running 24/7
- Densely packed servers requiring significant power for cooling requirements

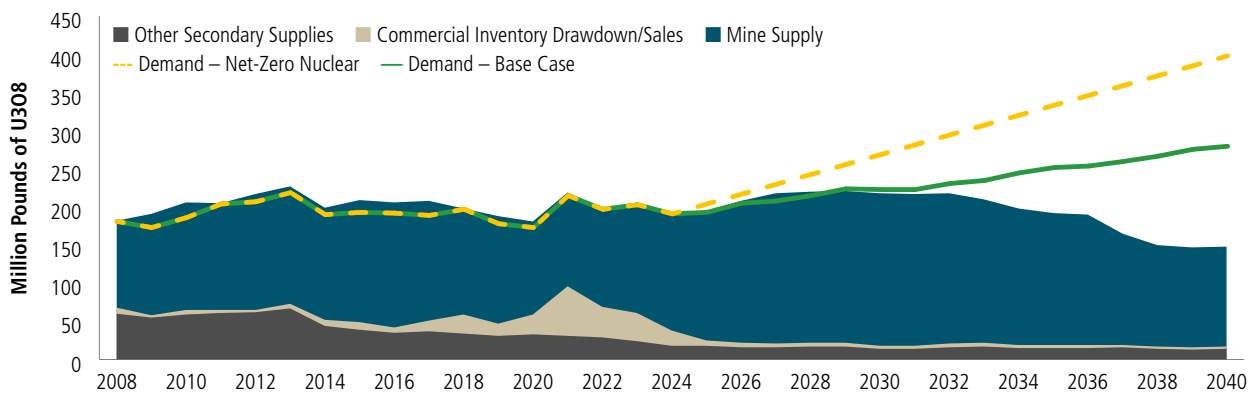
To support the growth of AI, Silicon Valley is increasingly turning to nuclear energy. Firms like Google, Amazon and Microsoft have signed deals to purchase power from nuclear energy providers.⁵ The benefits of such arrangements are twofold. First, data centers will have access to the reliable baseload power provided by nuclear energy to run their energy-intensive operations. Second, nuclear energy is one of the cleanest forms of energy, and by going nuclear, tech companies can still progress toward their corporate net zero carbon emissions pledges, even as their energy footprints expand.

Why Uranium Miners?

We believe we are in the early stages of a sustained uranium bull market. An already positive outlook was given an additional boost at the COP28 conference in December 2023, where more than 20 nations agreed to triple nuclear energy capacity by 2050. The pledge grew to 31 countries after the COP29 conference in November 2024. Uranium miners stand to benefit from the growing acceptance of nuclear energy.

We anticipate that the uranium supply-demand imbalance will continue through at least 2040. Demand for uranium may outstrip supply and reach a cumulative deficit of nearly 700 million pounds by 2040. The uranium market may see a cumulative deficit of 1.7 billion pounds when factoring in global net zero pledges.

Figure 2. Uranium Supply and Demand Estimates (2008-2040E)



Source: UxC and Cameco Corp. Data as of 12/31/2024.

Higher uranium prices and more investment in uranium miners are needed to reduce the expected supply shortfall and meet current and future demand. Our focus is on uranium miners, which are upstream in the supply chain. Miners may be less susceptible to some geopolitical risks and may benefit as Western governments seek to secure critical supply chains by incentivizing domestic expansion for uranium miners.

³ Source: International Energy Agency, World Energy Outlook 2024.

⁴ Source: International Energy Agency, World Energy Outlook 2024.

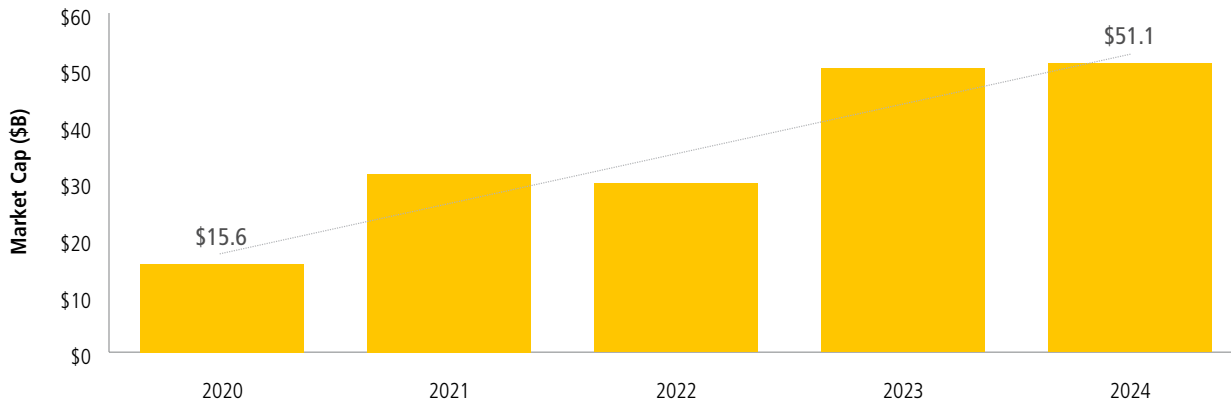
⁵ Source: [Reuters, Microsoft deal propels Three Mile Island restart, with key permits still needed.](#)

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In November 2024, Russia imposed restrictions on the export of enriched uranium to the U.S. This development has the potential to meaningfully impact downstream nuclear companies, such as utilities and enriched uranium importers, as Russia controls about 44% of global uranium enrichment capacity.⁶

Figure 3. Uranium Miners' Market Capitalizations Have Grown with Increased Investment⁷ (2020-2024)

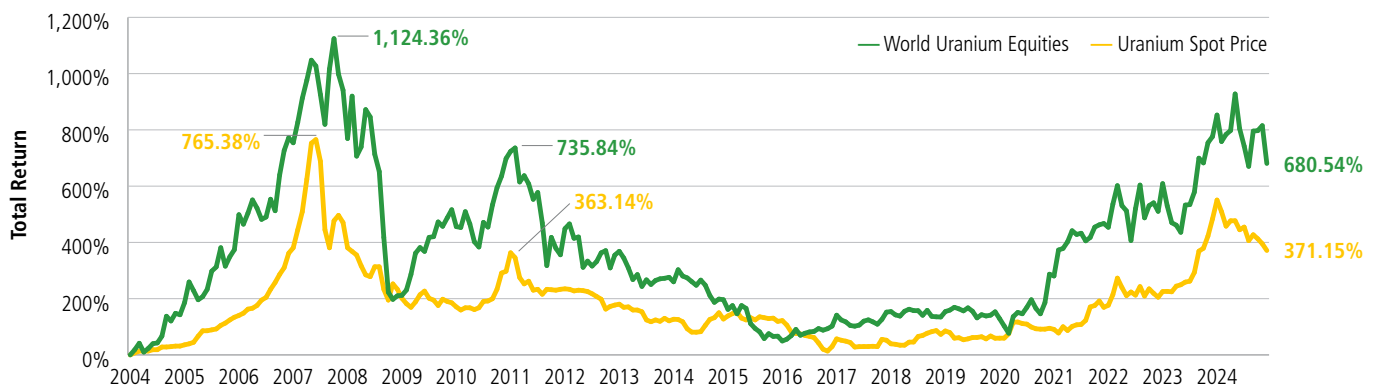


Source: Indxx and Bloomberg. Data as of 12/31/2024.

2025 May Provide an Attractive Entry Point for Uranium Miners

After years of growth, uranium miners took a healthy pause amidst the broader uranium bull market. Off recent highs, spot uranium prices spent much of 2024 between \$80 and \$90 per pound before moving lower to \$70 to \$80 in Q4. Uranium miners tend to offer leverage to the price of uranium (see Figure 4), outperforming in rising markets while underperforming in falling markets. However, as a group, uranium miners showed resiliency in 2024, having outperformed the spot market.

Figure 4. Uranium Miners vs. Spot Uranium (2004-2024)



Source: Bloomberg and TradeTech LLC. Data from 12/31/2003 to 12/31/2024. World Uranium Equities measured by URAX Index, which tracks the performance of stocks globally that conduct business with uranium. URAX and Uranium Spot denominated in U.S. dollars.

⁶ Source: Reuters, Russia restricts enriched uranium exports to the United States.

⁷ Source: Indxx and Bloomberg, as of 10/31/2024.

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Despite the bull market pause, the underlying fundamentals for uranium improved with positive support from technology companies, accelerating supply and demand constraints, and continued advancement on the political front. Among market developments in 2024 were:

- The ban of importing Russian-enriched uranium by the United States by no later than 2027. This action was met with a preemptive Russian ban on exporting enriched uranium to the United States.
- The announcement of plans to restart the Palisades Nuclear Plant in Michigan⁸ and Three Mile Island in Pennsylvania.⁹
- Talen Energy's announcement of its sale of a nuclear-powered data center to Amazon.¹⁰
- Meta's requests for proposals to identify nuclear energy developers to help the company meet its AI innovation and sustainability objectives.¹¹

We believe 2025 may represent an attractive buying opportunity for investors amid increasingly positive fundamentals.

Sprott Uranium Miners ETF (Ticker: URNM)

URNM provides focused pure-play¹² exposure to uranium mining equities. Pure-play companies devote at least 50% of their assets to the uranium mining industry, including mining, exploration, development and production of uranium, holding physical uranium, owning uranium royalties or engaging in other non-mining activities supporting the uranium mining industry.

- Only¹³ U.S.-listed ETF to provide targeted pure-play exposure to senior and junior uranium miners and physical uranium
 - Aggregate weight of 82.5% of the index is assigned to uranium miners, explorers, developers and producers
 - An aggregate weight of 17.5% of the index is allocated to entities that hold physical uranium, uranium royalties or other non-mining assets
- Traditional market portfolios may provide very little, if any, exposure to uranium miners. Investors may consider adding URNM to existing portfolios to:
 - Diversify energy exposure traditionally allocated to the oil and gas sector
 - Provide growth potential as part of a thematic or growth allocation



URNM is Part of the Sprott Critical Materials Suite of ETFs.

⁸ Source: [The New York Times, U.S. Approves Billions in Aid to Restart Michigan Nuclear Plant.](#)

⁹ Source: [Reuters, US nuclear regulator kicks off review on Three Mile Island restart.](#)

¹⁰ Source: [NuclearNewswire, Amazon buys nuclear-powered data center from Talen.](#)

¹¹ Source: [Meta, Accelerating the Next Wave of Nuclear to Power AI Innovation.](#)

¹² The term "pure-play" relates directly to the exposure that the Fund has to the total universe of investable, publicly listed securities in the investment strategy.

¹³ Based on Morningstar's universe of Natural Resources Sector Equity ETFs as of 12/31/2024.



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Sprott Uranium Miners ETF (NYSE Arca: URNM)

Sprott Uranium Miners ETF (NYSE Arca: URNM) is the only[^] ETF to provide pure-play^{^^} exposure to uranium miners and physical uranium essential to nuclear power. 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.

[^] Based on Morningstar's universe of Natural Resources Sector Equity ETFs as of 12/31/2024.

^{^^} The term "pure-play" relates directly to the exposure that the Fund has to the total universe of investable, publicly listed securities in the investment strategy.

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 likely underway as demand outstrips supply, nations seek energy security and prices have the potential to increase—incentivizing miners and providing opportunities to investors.
- 3. Critical Material in Meeting Energy Demand** – Uranium and nuclear energy may be critical to meeting the world's expanding need for electricity, and countries recently committed to tripling global nuclear energy capacity by 2050 to reach net-zero goals.
- 4. Supporting Energy Security** – Uranium and nuclear energy may help countries achieve a reliable and affordable source of electricity.

Performance: Average Annual Total Returns* (%)

QUARTER END AS OF 12/31/2024	1 MO	3 MO	YTD	1 YR	3 YR	5 YR	S.I. ¹
Sprott Uranium Miners ETF (Net Asset Value)	-13.30	-10.04	-13.40	-13.40	6.12	29.34	29.89
Sprott Uranium Miners ETF (Market Price) ²	-13.21	-9.20	-13.72	-13.72	6.19	29.21	29.88
North Shore Global Uranium Mining Index (Benchmark) ³	-13.21	-10.05	-13.10	-13.10	6.87	30.38	30.95
MSCI All Country World Index ³	-2.37	-0.99	17.49	17.49	5.44	10.06	10.91

Fees and Expenses (%) as of the most recent prospectus

Management Fee	0.75
Other Expenses	0.00
Total Annual Fund Operating Expenses	0.75

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.sprottetsf.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.

¹ 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.

² 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.

³ 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 "Sponsor"). The MSCI All Country World Index (MSCI ACWI) includes stocks from 23 developed countries and 24 emerging markets, covering approximately 85% of the global investable equity opportunity set. One cannot invest directly in an index.



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Sprott Junior Uranium Miners ETF (Nasdaq: URNJ)

Sprott Junior Uranium Miners ETF (Nasdaq: URNJ) is the only[^] ETF to provide pure-play^{^^} exposure to small, exploration- and development-stage uranium miners with the potential for revenue and asset growth. URNJ seeks to provide investment results that, before fees and expenses, correspond generally to the total return performance of the Nasdaq Sprott Junior Uranium Miners™ Index (NSURNJ™), which is designed to track the performance of mid-, small- and micro-cap companies in uranium mining-related businesses.

[^] Based on Morningstar's universe of Natural Resources Sector Equity ETFs as of 12/31/2024.

^{^^} The term "pure-play" relates directly to the exposure that the Fund has to the total universe of investable, publicly listed securities in the investment strategy.

Key Points:

- 1. Pure-Play Junior Uranium ETF** – The only pure-play ETF focused on small uranium miners, with the potential for significant revenue and asset growth.
- 2. Uranium Bull Market** – A new uranium bull market is likely underway as demand outstrips supply, nations seek energy security and prices have the potential to increase—inciting miners to explore and develop new uranium mines.
- 3. Critical Material in Meeting Energy Demand** – Uranium and nuclear energy may be critical to meeting the world's expanding need for electricity, and countries recently committed to tripling global nuclear energy capacity by 2050 to reach net-zero goals.
- 4. Supporting Energy Security** – Uranium and nuclear energy provide reliable, affordable electricity that may help countries achieve energy security.

Performance: Average Annual Total Returns* (%)

QUARTER END AS OF 12/31/2024	1 MO	3 MO	YTD	1 YR	S.I. ¹
Sprott Junior Uranium Miners ETF (Net Asset Value)	-17.44	-14.36	-17.40	-17.40	-0.44
Sprott Junior Uranium Miners ETF (Market Price) ²	-17.29	-12.96	-17.85	-17.85	-0.41
Nasdaq Sprott Junior Uranium Miners™ Index (Benchmark) ³	-17.05	-14.62	-16.56	-16.56	0.36
MSCI All Country World Index ³	-2.37	-0.99	17.49	17.49	15.97

Fees and Expenses (%) as of the most recent prospectus⁴

Management Fee	0.80
Other Expenses	0.00
Total Annual Fund Operating Expenses	0.80

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 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.

¹ Inception Date: 2/1/2023.

² 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.

³ The Nasdaq Sprott Junior Uranium Miners™ Index (NSURNJ™) was co-developed by Nasdaq® (the "Index Provider") and Sprott Asset Management LP (the "Sponsor"). The Index Provider and Sponsor co-developed the methodology for determining the securities to be included in the Index and the Index Provider is responsible for the ongoing maintenance of the Index. The Sponsor will provide certain services in connection with the Index including contributing inputs in connection with the eligibility and process to determine the initial selection and ongoing composition of the Index constituents. The MSCI All Country World Index (MSCI ACWI) includes stocks from 23 developed countries and 24 emerging markets, covering approximately 85% of the global investable equity opportunity set. One cannot invest directly in an index.

⁴ Reflects Total Annual Operating Expenses as outlined in the most recent prospectus. For the services the Adviser (Sprott Asset Management USA, Inc.) 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 0.80% of net assets.

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About Sprott – Sprott is a global leader in precious metals and critical materials investments. We are specialists. Our in-depth knowledge, experience and relationships separate us from the generalists. Our investment strategies include Exchange Listed Products, Managed Equities and Private Strategies. Sprott has offices in Toronto, New York, Connecticut and California and the company's common shares are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol (SII). For more information, please visit www.sprott.com.



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://sprottets.com/urnm/prospectus>, or a Sprott Junior Uranium Miners ETF Statutory Prospectus, visit <https://sprottets.com/urnj/prospectus>, contact your financial professional or call 1.888.622.1813. Read the Prospectus carefully before investing.

The Funds are not suitable for all investors. There are risks involved with investing in ETFs including the loss of money. The Funds are 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 Funds 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 or Sprott Junior Uranium Miners ETF on a secondary market. Only market makers or "authorized participants" may trade directly with the Fund, typically in blocks of 10,000 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.

Sprott Asset Management USA, Inc. is the Investment Adviser to the Sprott Uranium Miners ETF and Sprott Junior Uranium Miners ETF. ALPS Distributors, Inc. is the Distributor for the Sprott ETFs and is a registered broker-dealer and FINRA Member. ALPS Distributors, Inc. is not affiliated with Sprott Asset Management USA, Inc.

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