Monthly Uranium Miners Market Report

January 2025

HANetf & Sprott Asset Management

Sprott Uranium Miners UCITS ETF
URNM
85 bps
IE0005YK6564
Product Inception Date: 03/05/2022

Sprott Junior Uranium Miners UCITS ETF
URNJ
85 bps
IE00075IVKF9
Product Inception Date: 22/02/2024

For Professional Clients Only. Capital at risk.
All data as of 31/12/2024
This report was written by, and is the opinion of, the Sprott Asset Management.

Uranium ETF Key Takeaways

The uranium market faced significant headwinds in December 2024, with the uranium spot price declining by 5.06%, and the underlying index for the uranium ETF losing 13.21%, Broader macroeconomic concerns about potential policies under the incoming U.S. administration, which could contribute to persistent inflation, dampened optimism about Federal Reserve (Fed) rate cuts. While the Fed reduced rates by 25 basis points in December, the move was seen as a hawkish cut, as they signalled plans to slow the pace of future cuts. This suggested a higher inflation outlook and the possibility of "higher-for-longer" neutral rates, which weighed heavily on cyclically sensitive mining stocks.

Market-specific pressures also played a critical role. Year-end selling by uranium traders seeking to clear positions created a temporary supply overhang, with rumours circulated that the Kazakh ANU Physical Uranium Fund might liquidate its inventory of over 2 million pounds. These factors resulted in a temporary market dislocation, driving prices lower.

Despite December's pullback, the uranium market remained fundamentally strong in 2024, following a nearly 90% spot price surge in 2023. The year's overall performance was characterized by a healthy consolidation, with uranium miners outperforming the physical. Persistent supply deficits defined the market as mine production continued to lag behind reactor demand. Geopolitical disruptions in Niger, Russia's enriched uranium export ban, and Kazakhstan's production shortfalls highlighted the fragility of global uranium supply chains.

Demand remained robust, fuelled by nuclear energy's growing prominence in the global energy transition and its adoption in energy-intensive industries like artificial intelligence. Long-term contracting prices surged to a 16-year high, but term contracting in 2024 looks to have been well below the replacement rate, increasing the urgency for more contracting. We believe that available-for-sale inventories, critical to utilities, have been depleted. Utilities' needs may cascade down the supply chain from conversion and enrichment, where prices are hitting all-time highs, to U3O8 itself.

Although December was marked by challenges, the uranium market's foundation, marked by persistent supply deficits, rising demand, and favourable energy policies, continues to support its long-term growth trajectory.

Source of all performance data: Bloomberg / HANetf as of 31.12.2024. Additional sources available upon request. All performance figures are showing net data. Past performance is not indicative of future performance and when you invest in ETFs your capital is at risk.

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Macro Outlook

We believe the uranium market is set for continued growth in 2025, underpinned by strong fundamentals. Global demand for uranium remains robust, with nuclear energy playing a central role in the energy transition. Record nuclear energy generation is anticipated in 2025, driven by international commitments such as the pledge at COP29 to triple nuclear capacity by 2050. Industries with high energy needs, including artificial intelligence and data centers, are increasingly adopting nuclear power, as demonstrated by Microsoft's agreement to reopen the Three Mile Island nuclear plant. Rising energy demand from urbanization, industrialization, and manufacturing reshoring further highlights nuclear's importance.

On the supply side, structural deficits persist as global uranium production continues to fall short of reactor demand. Constraints are exacerbated by geopolitical risks, including disruptions in Niger and Russia's retaliatory ban on enriched uranium exports, as well as production challenges in Kazakhstan, where bottlenecks such as sulfuric acid shortages limit capacity growth. Kazatomprom, the world's largest uranium producer, continues to meet demand from China and Russia, further tightening supply availability in the West. Temporary year-end pressures from uranium fund liquidations have been resolved, but utilities' depleted inventories point to sustained supply constraints heading into 2025.

Long-term contracting remains critical to the market, as contracting levels outside China remain below replacement rates. Utilities that delay procurement adjustments risk exposure to escalating prices, especially as supply chain constraints cascade from enrichment and conversion to U3O8. Meanwhile, recent price corrections in spot uranium and miners provide potential entry points for investors, as market fundamentals continue to strengthen.

Policy support further enhances uranium's outlook. The U.S. government's focus on energy dominance is expected to drive domestic uranium production and bolster nuclear energy's role. Globally, nuclear power's bipartisan political support reinforces its position as a reliable, clean energy source essential to addressing energy security and climate goals.

We believe the uranium market in 2025 is poised for growth, fueled by persistent supply deficits, rising demand, and favorable policies. Despite short-term corrections, uranium's long-term trajectory remains supported by structural imbalances and increasing reliance on nuclear energy across sectors and regions.

Uranium ETF Performance

As of 31/12/2024

	1M	3M	6M	YTD	12M	3Y	SI
Sprott Global Uranium Miners UCITS ETF	**-13.26%**	**-10.24%**	**-16.35%**	**-13.69%**	**-13.69%**	**N/A**	**16.82%**
North Shore Sprott Uranium Miners Index	*-13.21%*	*-10.06%*	*-15.91%*	*-13.16%*	*-13.16%*	*21.49%*	*18.98%*

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 31/12/2024

Performance before inception is based on back-tested data. Backtesting is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such a strategy would have been. Back-tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. Past performance for the index is in USD. Past performance is not an indicator for future results and should not be the sole factor of consideration when selecting a product. Investors should read the prospectus of the Issuer ("Prospectus") before investing and should refer to the section of the Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in this product. When you invest in ETFs and ETCs, your capital is at risk.

Performance for the Sprott Junior Uranium Miners UCITS ETF is not yet available due to the age of the fund.

URNM Product Details

The Sprott Uranium Miners UCITS ETF (URNM) seeks to provide investors with a way to invest in the growth of nuclear power through exposure to uranium miners. This comprises companies involved in the uranium industry, spanning the mining, exploration, development and production of uranium.

The Fund is also permitted to invest in entities that hold physical uranium, uranium royalties or other non-mining assets.

The fund tracks the North Shore Sprott Uranium Miners Index (URNMXA Index)

Visit the URNM fund page for more information.

Exchange	Ticker	RIC	SEDOL	ISIN	Valoren	WKN	CCY	Listing Date
LSE	URNM LN	URNM.L	BN16G54	IE0005YK6564	-	-	USD	05/05/2022
LSE	URNP LN	URNP.L	BN16G87	IE0005YK6564	-	-	GBP	05/05/2022
Borsa Italiana	U3O8 IM	U3O8.MI	BPCJF82	IE0005YK6564	-	-	EUR	12/05/2022
Xetra	U3O8 GY	U3O8.DE	BPCJFR1	IE0005YK6564	-	A3DJZY	EUR	05/05/2022

URNJ Product Details

The Sprott Junior Uranium Miners UCITS ETF (URNJ) seeks to provide exposure to small- and mid-cap uranium miners that offer the potential of outperforming in the near future.

The fund tracks the NASDAQ Sprott Junior Uranium Miners Index (NSURNJ).

Visit the URNJ fund page for more information.

Exchange	Ticker	RIC	SEDOL	ISIN	Valoren	WKN	CCY	Listing Date
LSE	URNJ LN	URNJ.L	BQS70P9	IE00075IVKF9	-	-	USD	23/02/2024
LSE	URJP LN	URJP.L	BQS70S2	IE00075IVKF9	-	-	GBP	23/02/2024
Borsa Italiana	URNJ IM	URNJ.MI	BQHNJR3	IE00075IVKF9	-	-	EUR	08/03/2024
Xetra	U8NJ GY	U8NJ.DE	BQHNJQ2	IE00075IVKF9	-	A401YJ	EUR	23/02/2024

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The relevant ETF Prospectuses, ETC Securities Documentation, Multi-Asset ETC Securities Documentation and Cryptocurrency Prospectus can all be downloaded from www.hanetf.com.

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