



Uranium's October Optimism

Performance as of October 31, 2022

Indicator	1 MO*	3 MO*	YTD*	1 YR
U308 Uranium Spot Price ¹	8.32%	7.57%	24.12%	17.30%
Uranium Mining Equities (Northshore Global Uranium Mining Index) ²	3.11%	-3.30%	-6.38%	-18.44%
Commodities (BCOM Index) ³	1.67%	-6.96%	14.30%	9.67%
U.S. Equities (S&P 500 TR Index) ⁴	8.10%	-5.87%	-17.72%	-14.63%
U.S. Bonds (Bloomberg Barclays US Agg Total Return Value Unhedged USD Index) ⁵	-1.30%	-8.23%	-15.72%	-15.68%

Source: Bloomberg and Sprott Asset Management LP. Data as of October 31, 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 not annualized.

October: Uranium Markets Brighten

Many asset classes rebounded in October following painful September drawdowns. The U308 uranium spot price climbed 8.32% in October, rising from \$48.25 to \$52.27 per pound. By comparison, the broader commodity markets gained just 1.67%. Among other asset classes, U.S. equity markets gained 8.10% as measured by the S&P 500 Index, and U.S. bond markets (Bloomberg US Agg Bond Index) lost ground on the back of rising inflation and the hawkish Federal Reserve. On a year-to-date basis, as of October 31, 2022, the uranium spot price climbed by 24.12%, making it one of the best-performing asset classes.

Uranium mining equities also posted positive results in October, with the Northshore Global Uranium Mining Index gaining 3.11% for the month. Miners' overall results were impacted by the weakness in the stock price of index heavyweight Cameco Corp. (Cameco) following its announcement of a \$US748 million stock sale to raise capital for its planned acquisition of Westinghouse Electric Company (Westinghouse) in partnership with Brookfield Renewable Partners (Brookfield Renewable). Year to date, uranium miners have lost 6.38%, which compares favorably to the year-to-date 17.72% drop in the S&P 500 Index.

"We believe that uranium demand will continue to gain momentum."

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

² 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").

³ 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.

⁴ 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.

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



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Figure 1. Uranium Continues to Outperform in the Short Term (2020-2022)

This chart shows the relative outperformance of physical uranium and uranium mining equities over the past two years.



Source: Bloomberg and Sprott Asset Management. Data as of 10/31/2022. Uranium miners are measured by the Northshore Global Uranium Mining Index; the U3O8 uranium spot price is measured by a proprietary composite of U3O8 spot prices from TradeTech LLC; commodities are measured by the Bloomberg Commodity Index (BCOM); U.S. equities are measured by the S&P 500 TR (SPX); U.S. bonds are measured by the Bloomberg Barclays US Agg Total Return Value Unhedged USD (LBUSTRUU Index); the U.S. dollar is measured by DXY Currency. Included for illustrative purposes only. **Past performance is no guarantee of future results.**

Energy Transition Gains Momentum

The International Energy Agency (IEA) released its 2022 World Energy Outlook in October, further underscoring the importance of nuclear energy and uranium in supporting the world’s energy transition away from its dependence on fossil fuels and in ensuring higher energy security. According to the IEA, “Russia’s invasion of Ukraine has sparked a global energy crisis”. Russian sanctions and geopolitical maneuvering have tightened the world’s energy supply and caused energy prices to spike, stoking inflationary pressures and heightening the risk of recession. This energy deficit has created an urgent catalyst to embrace alternatives to fossil fuels and supports our thesis that nuclear power will likely be pivotal to the global energy transition.

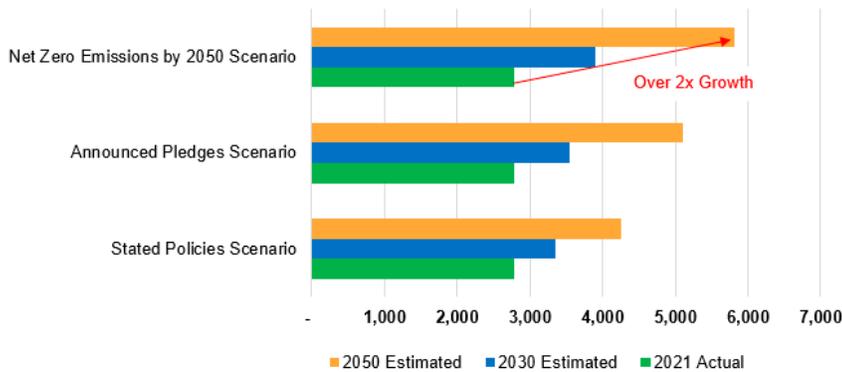
The IEA has increased its forecasts of nuclear power, reporting that it expects nuclear energy generation to grow 53% from 2021 to 2050 based on current stated government policies in place, 84% based on announced government targets and 109% on its net zero emissions by 2050 scenario. With nuclear energy’s generation potential to double by 2050, the uranium sector is likely poised to benefit.



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Figure 2. Global Electricity Nuclear Supply by Scenario (TWh; Terawatt Hours)



Source: 2022 World Energy Outlook, International Energy Agency. **Past performance is no guarantee of future results.**

Positive Developments for Uranium Miners

On October 11, Cameco Corporation announced that it would form a strategic partnership with Brookfield Renewable Partners to acquire Westinghouse Electric Company.⁶ Brookfield Renewable will own a 51% interest and Cameco 49%. This acquisition marks the largest in recent history, with Westinghouse's market capitalization of US\$4.5 billion, not including debt, being nearly half of Cameco's \$9.8 billion market capitalization.⁷ Westinghouse operates as a downstream company providing nuclear operating plant services, designing and engineering new nuclear reactors and providing nuclear fuel services. The initial market reaction to the deal was negative, as Cameco's stock slid 14% in response to the pricing terms of the bought deal stock sale. Cameco's stock price recovered somewhat but remained down for the month. In our view, the acquisition is a healthy sign that the uranium industry is moving forward and is a vote of confidence from Cameco in the nuclear industry. The partnership represents a vertical integration across the uranium fuel supply chain that is likely to enhance Cameco's ability to win new business.

The market reacted more favorably to Uranium Energy Corp's completed acquisition of the Roughrider uranium development project from a subsidiary of Rio Tinto PLC, and Uranium Energy was the top-performing holding in the Northshore Global Uranium Mining Index for the month.⁸ Denison Mines Corp. (Denison) filed its environmental impact statement (EIS) on October 26.⁹ For Denison, this represents a crucial step in the permitting process to develop its Wheeler River uranium mine. NexGen Energy Ltd., another late-stage uranium developer, filed its EIS earlier this year.¹⁰

Energy Shortages and Rocketing Prices Support Uranium's Bullish Outlook

In our view, the October performance of uranium mining equities does not reflect the sector's strong underlying fundamentals. Year-to-date as of October 31, U3O8 spot, conversion and enriched uranium prices have all significantly appreciated for both short- and long-term purchase contracts. By contrast, uranium miners remain in negative territory, as they have been impacted by weakness in broad equity markets and rising interest rates. Despite this, we believe that strong demand for uranium conversion and enrichment, coupled with a shift away from Russian suppliers, supports a further increase in the U3O8 uranium spot price, which is ultimately supportive of uranium miners.

⁶ Source: [Cameco and Brookfield Renewable Form Strategic Partnership to Acquire Westinghouse Electric Company](#).

⁷ Source: [Cameco pivots off volatile uranium market with big bet on Westinghouse](#).

⁸ Source: [PR Newswire: Uranium Energy Corp Completes Acquisition of the World-Class Development-Stage Roughrider Uranium Project From Rio Tinto](#).

⁹ Source: [Denison Announces Significant Regulatory Milestone for Wheeler River with Submission of Environmental Impact Statement](#).

¹⁰ Source: [NexGen Environmental Assessment \(EA\) for the Rook I Project \(Project\)](#).

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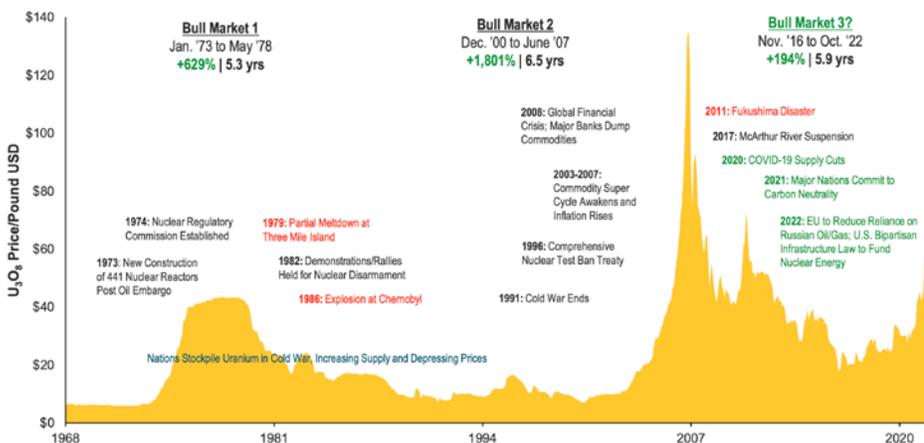
Cameco, for example, continues to report strong growth in its portfolio of long-term uranium contracts as utilities are accelerating uranium purchases. In 2019, pre-COVID, Cameco estimated that, from 2020 through 2024, it had commitments to deliver an average of 19 million pounds per year.¹¹ In 2021, Cameco added 30 million pounds in contracts. This year, Cameco is projected to add 77 million pounds in contracts. In its recent Q3 earning report, Cameco announced it has “advanced contracting discussions for about 27 million pounds of long-term uranium business and 7.5 million kgU (kilograms of uranium) of conversion services from initiation to accepted.” This is in addition to Cameco’s uranium year-to-date contracts of 50 million pounds of U3O8 and 7 million kgU of conversion. The uranium contracts are expected to be finalized over the next few months, underscoring Cameco’s belief that the uranium sector is in the early stages of the contracting cycle.

Uranium Demand is Strong

We believe that uranium demand will continue to gain momentum, as many countries are seeing record-high electricity prices going into high-demand seasons. In addition, the security of the supply of nuclear fuel is paramount, as national grids rely on baseload nuclear power for stability, utilities are focused on replenishing inventory levels to ensure access to fuel and fuel costs have a relatively small impact on the overall profitability of nuclear power plants; historically, uranium demand has not been price sensitive.

We believe the uranium bull market remains intact despite the negative 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 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 sustained bull market. For investors, uranium miners have historically exhibited low/moderate correlation to many major asset classes, potentially providing portfolio diversification.

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 in financial markets when prices are generally falling. Source: TradeTech data as of 10/31/2022. **Past performance is no guarantee of future results.**

In closing, we continue to believe that 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. At the same time, a uranium supply deficit remains entrenched and uranium miners may be the recipients of increased investment, which may in turn bring the market back into balance.

¹¹ Source: [Cameco Corporation 2019 Annual Report](#).



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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* (%)

MONTH END AS OF 10/31/2022	1 MO	3 MO	YTD	1 YR	S.I. ¹
Sprott Uranium Miners ETF (Net Asset Value)	3.32	-3.35	-6.83	-18.98	44.83
Sprott Uranium Miners ETF (Market Price) ²	3.04	-3.58	-6.79	-18.38	44.74
North Shore Global Uranium Mining Index (Benchmark) ³	3.11	-3.30	-6.38	-18.44	46.10
QUARTER END AS OF 9/30/2022	1 MO	3 MO	YTD	1 YR	S.I. ¹
Sprott Uranium Miners ETF (Net Asset Value)	-16.37	13.75	-9.82	-8.88	44.77
Sprott Uranium Miners ETF (Market Price) ²	-15.95	14.15	-9.54	-9.95	44.81
North Shore Global Uranium Mining Index (Benchmark) ³	-16.17	14.67	-9.21	-7.96	46.18

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

Management Fee	0.85
Other Expenses	0.00
Total Annual Fund Operating Expenses	0.85

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.sprottets.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 "Adviser").

⁴ 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.



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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.