

URANIUM PRICES ¹	As of 01/31/2022	MoM	YTD	YoY
Spot Price US\$/lb U ₃ O ₈	\$43.00	2.4%	2.4%	44.7%
Long-Term Price US\$/lb U ₃ O ₈	\$40.50	0%	0%	22.7%

GLOBAL REACTOR ²	COUNT	GWe	MoM	YTD	YoY
Operable	437	389	-0.5%	-0.5%	-0.9%
Under Construction	57	63	1.8%	1.8%	7.5%
Planned	97	98	-2.0%	-2.0%	-1.0%
Proposed	325	354	0%	0%	-0.3%

SLU ₃ O ₈ EQUITIES PERFORMANCE	As of 01/31/2022	MoM	YTD	YoY
SLU3O8 Index ³	74	-28	-28	75
UProducers Average ⁴	MoM Top Performer: U.UEC: 0%	-9.3%	-9.3%	75.0%
UDevelopers Average ⁴	MoM Top Performer: L.BKL: +0.8%	-7.4%	-7.4%	66.9%
UExplorers Average ⁴	MoM Top Performer: V.SYH: +10.4%	-4.7%	-4.7%	82.7%

1. Price as per UxC, LLC.
2. As per World Nuclear Association; MoM, YTD and YoY percentages based on Global Reactor Count
3. SLU₃O₈ Index is comprised of T.CCO, T.DML, T.EFR, A.ERA, A.PDN, A.PEN, T.JURE, U.UEC, T.AEC, L.BKL, T.FCU, T.FSY, V.GXU, T.LAM, T.NXE, A.TOE, T.UEX, A.VMY, A.BMN, A.DYL, V.FUU, V.PTU, V.SYH
4. Performance Averages from the SLU₃O₈ UEquity list of companies

Updated on January 31, 2022

MONTH IN REVIEW

All quiet on the Uranium front. With uranium prices barely quivering during January, the market continued to take it out on the equities that all gave up 5-10% of their value this month.

The UxC Term price sat steady at \$40.50 while the Spot picked up a dollar to close the month at \$43.00/lb. U3O8 – both still significantly off the prices needed to incentivize new global production.

In the wake of Kazakhstan's political unrest, there is now the threat of new mining tax measures that could chip away at that country's uranium price advantage. Just one more factor moving the industry closer to a serious price shift as supply and demand find a balanced point of inflection.

Comments or question? Ask us on Twitter ([@SightlineU3O8](https://twitter.com/SightlineU3O8)) or email us at editor@sightlineu3o8.com.

URANIUM PRICE RALLY SPURS FIRST EXPLORATION INCREASE SINCE 2011



Source: [S&P Global](https://www.spglobal.com)

Uranium mining companies reversed a 10-year decline in exploration budgets in 2021 and funding is poised to rise further in 2022 as companies aim to capitalize on higher yellowcake prices and a rosier demand outlook.

Uranium exploration budgets rose 10.7% year over year in 2021, with Canada leading the pack and budgeting \$67 million, followed by the U.S. at \$10.1 million, according to S&P Global Capital IQ data. Globally, uranium exploration budgets for juniors reached about \$94.3 million in 2021, while majors' exploration budgets for uranium totaled approximately \$22.7 million, an S&P Global Market Intelligence analysis found.

CONTINUED ON PG 2

URANIUM PRICE RALLY SPURS FIRST EXPLORATION INCREASE SINCE 2011 (CONT'D)

The global exploration budget remains far from peaks seen in the late 2000s, but even modest increases represent new hope for the moribund industry. Prices rose to the mid-\$40s per pound in 2021, more than double the lows around \$20/lb in 2017 and 2018. Buying activity from a Canadian investment fund and instability in Kazakhstan, the world's largest producer of yellowcake, has driven up prices, motivating some companies to seek out new supply, especially in politically stable countries. Prices need to clear \$50/lb before anyone will engage in significant production at new sites. But with forecasters predicting increases well above that benchmark, junior companies, especially, have gone out uranium hunting.

"Things are just very hot right now on the exploration side," said Sid Rajeev, vice president and research director at Fundamental Research Corp.

In 2021, uranium prices ended a yearslong slide that dated back to the days following the 2011 Fukushima Dai-ichi reactor disaster in Japan, which chilled global interest in nuclear power. Toronto-based investment fund Sprott Asset Management LP, a subsidiary of Sprott Inc., shocked the global uranium market by buying up millions of pounds of excess supply for a new trust in the summer of 2021. Prices rallied on Sprott's buying, and they promised to stay high as the fund's managers said they had no plans to sell their commodity, effectively taking it off the market. On Oct. 18, Kazakhstan's state-owned uranium company, Kazatomprom, announced it too would invest in a physical uranium fund, called ANU Energy OEIC Ltd.

After a near-decade of oversupply, the uranium market significantly tightened. At the same time, the demand picture is "really, really strong," said Katie Lachapelle, an equity research analyst focused on uranium at Canaccord Genuity Corp.

Seeking lower-carbon power sources to meet new emission targets, governments and utilities have started eyeing the potential of nuclear energy again. Some countries, including France and the U.K., have committed to expanding their nuclear fleets to produce carbon-free electricity and meet climate objectives espoused at the most recent COP26 climate conference. About 57 nuclear units, totaling 60 GW, were in various stages of planning and development as of mid-2021, according to the World Nuclear Association.

Rising demand along with fund buying activities helped uranium prices sail over \$46/lb in 2021, a high not seen since 2012 as prices began to fall. Companies hope to take advantage of those rising prices.

"You're seeing a lot of these advanced stage developers and explorers, especially over the last year, increase their budgets," Lachapelle said in an interview.

"Especially last year, we saw a huge increase in junior miner exploration with a lot of money flowing into these companies," Jonathan Hinze, president of UxC LLC, a leading uranium research and analysis firm, said in an interview. "In some cases, their equity prices jumped 20% or 30%. They were able to raise money. There's clearly a number of producers in different regions — Canada, U.S., some parts of Africa and Australia — where there's been a real uptick in activity."

Recent unrest in Kazakhstan is driving interest in diversifying sources of uranium, especially in places with stable governments and infrastructure. That benefits explorers in Canada and the U.S., helping them attract investment dollars.

That bodes well for rising exploration budgets going into next year.

"Given the continuing trends in the industry, I believe there are likely to be additional increases in uranium mine exploration and development activity in 2022," Hinze said in an email.

"The most likely focus areas for new development are going to be in the Athabasca Basin in Saskatchewan as well as several regions in Africa and Australia."

Not there yet

Still, it will likely take a price of at least \$50/lb for most uranium developers to advance projects into production, according to multiple analysts. It is a price that even Sprott's flurry of activity has not allowed the market to reach. S&P Global Platts assessed the month spot price of U308 to Canada at \$45.75/lb on Jan. 6.

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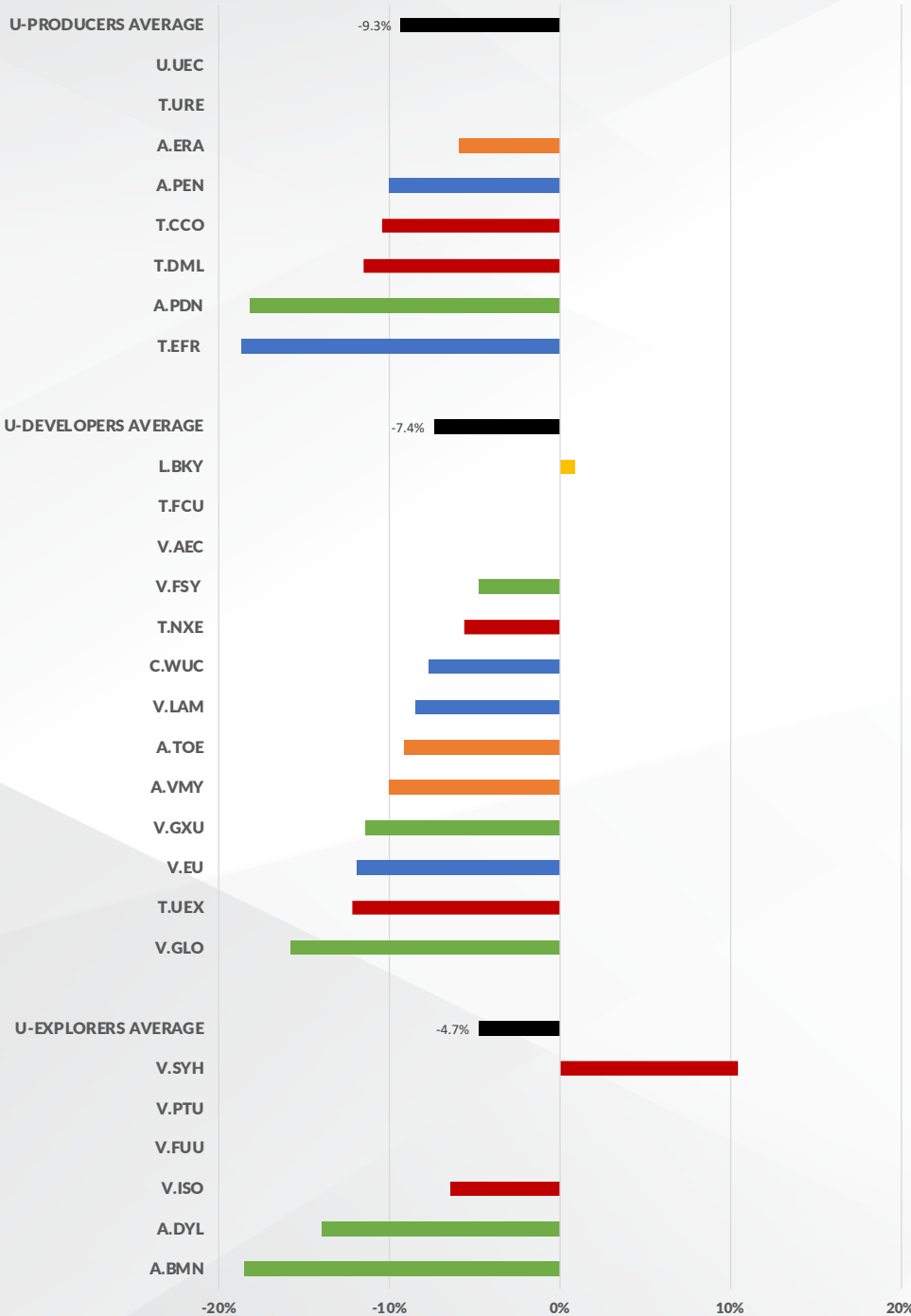
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SLUO EQUITIES MONTHLY PERFORMANCE (JANUARY 31, 2022)

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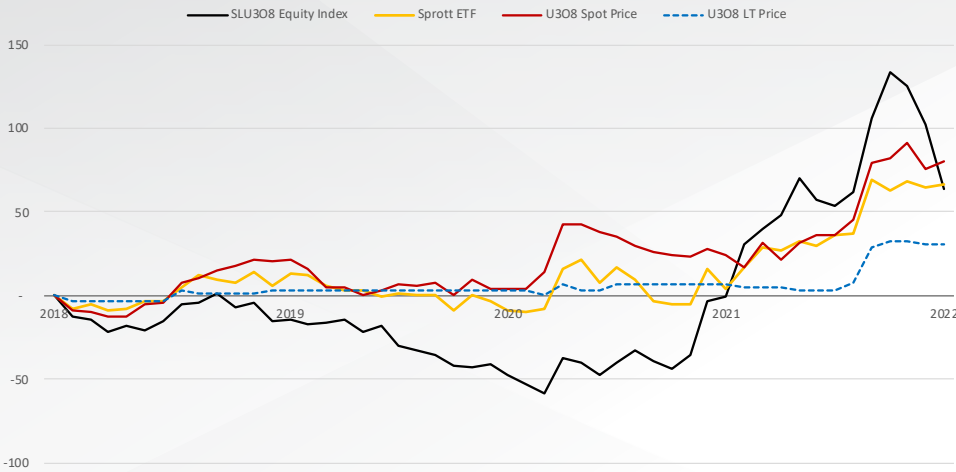
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SLU308 EQUITY INDEX



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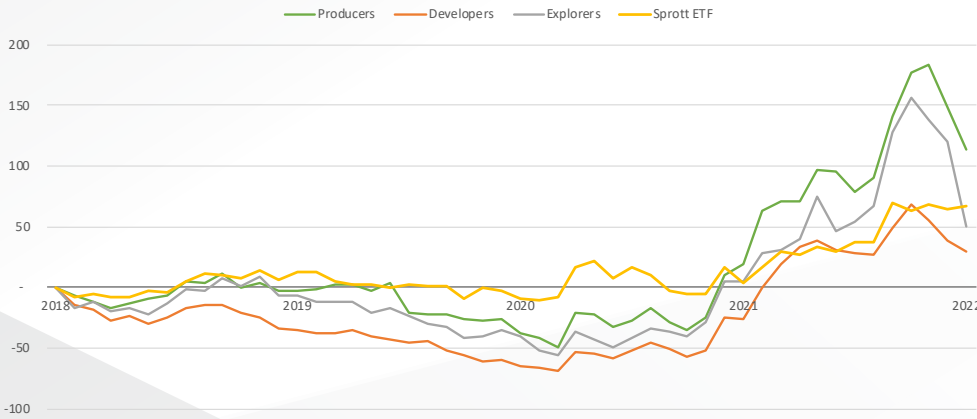
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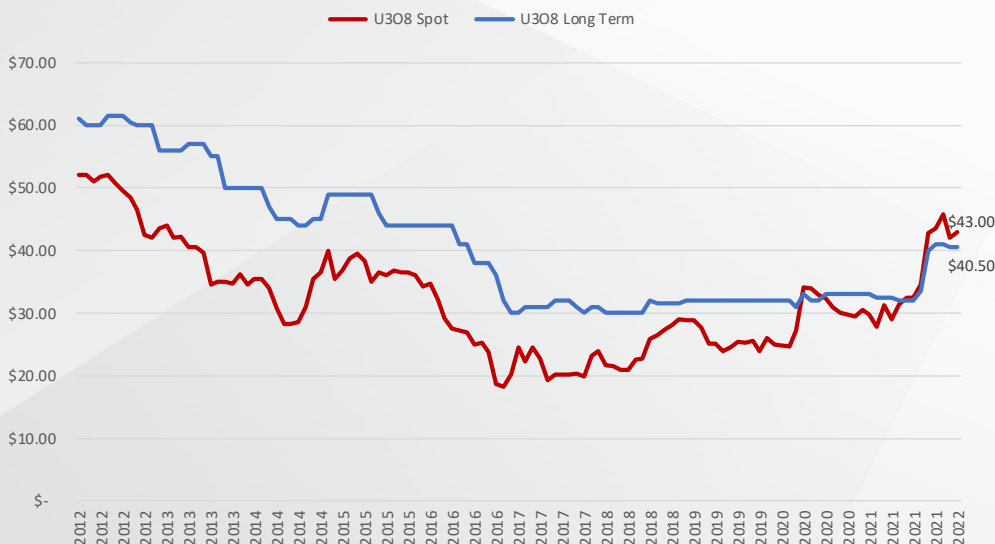
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SLU308 EQUITY INDEX BY CATEGORY



U₃O₈ PRICES - HISTORIC



SLUO EQUITIES

PRODUCING COMPANIES		COUNTRY FOCUS	PRICE AS OF 01/31/2022	52 WEEK HIGH	52 WEEK LOW	MARKET CAP (MILLIONS)
T.CCO	Cameco Corp	Canada	\$24.71	\$35.47	\$15.83	\$9,682.43
T.DML	Denison Mines Corp	Canada	\$1.54	\$2.65	\$0.80	\$1,178.75
T.EFR	Energy Fuels Inc	United States	\$7.86	\$14.33	\$4.78	\$1,157.90
A.ERA	Energy Resources of Australia Limited	Australia	\$0.32	\$0.58	\$0.18	\$1,180.00
A.PDN	Paladin Energy Ltd	Namibia	\$0.72	\$1.12	\$0.25	\$1,920.00
A.PEN	Peninsula Energy Limited	United States	\$0.18	\$0.35	\$0.096	\$179.07
T.URE	Ur-Energy Inc	United States	\$1.54	\$2.72	\$0.94	\$306.74
U.UEC	Uranium Energy Corp	United States	\$2.61	\$5.79	\$1.58	691.36
DEVELOPMENT COMPANIES						
V.AEC	Anfield Energy Inc	United States	\$0.09	\$0.23	\$0.075	\$27.32
L.BKY	Berkeley Energia Ltd	Spain	\$12.10	\$41.10	\$8.49	\$54.61
V.EU	Encore Energy Corp	United States	\$1.41	\$2.27	\$0.87	\$393.48
T.FCU	Fission Uranium Corp	Canada	\$0.77	\$1.25	\$0.34	\$460.28
T.FSY	Forsys Metals Corp	Namibia	\$0.81	\$1.30	\$0.28	\$137.25
V.GLO	Global Atomic Corporation	Niger	\$3.53	\$4.84	\$1.39	\$544.87
V.GXU	Goviex Uranium Inc	Niger	\$0.31	\$0.59	\$0.19	\$163.54
T.LAM	Laramide Resources Ltd	United States	\$0.65	\$1.12	\$0.245	\$118.01
T.NXE	NexGen Energy Ltd	Canada	\$5.23	\$8.12	\$3.49	\$2,264.98
A.TOE	Toro Energy Limited	Australia	\$0.02	\$0.058	\$0.012	\$89.64
T.UEX	UEX Corporation	Canada	\$0.325	\$0.60	\$0.245	\$165.86
A.VMY	Vimy Resources Ltd	Australia	\$0.18	\$0.31	\$0.069	\$179.87
C.WUC	Western Uranium and Vanadium	United States	\$1.68	\$4.18	\$0.77	\$65.74
EXPLORATION COMPANIES						
A.BMN	Bannerman Resources Limited	Namibia	\$0.22	\$0.44	\$0.10	\$271.12
A.DYL	Deep Yellow Limited	Namibia	\$0.74	\$1.37	\$0.54	\$288.34
V.FUU	Fission 3.0 Corp	Canada	\$0.1575	\$0.30	\$0.08	\$42.36
V.ISO	IsoEnergy Ltd	Canada	\$3.50	\$6.65	\$1.87	\$323.94
V.PTU	Purepoint Uranium Group Inc	Canada	\$0.09	\$0.195	\$0.06	\$29.98
V.SYH	Skyharbour Resources Ltd	Canada	\$0.53	\$0.88	\$0.225	\$71.25
OTHERS						
T.U.UN	Sprott Physical Uranium Trust	Canada	\$14.10	\$18.50	\$8.62	\$2,339.21
L.GCL	Geiger Counter Ltd	UK	\$43.00	\$74.50	\$24.00	\$47.37
U.URA	Global X Uranium ETF	US	\$20.66	\$31.60	\$14.44	\$1,101.96
L.YCA	Yellow Cake Plc	UK	\$319.00	\$323.00	\$210.00	\$585.09
T.HURA	Horizon Global Uranium ETF	Canada	\$20.84	\$30.39	\$12.50	\$45.30
U.URNM	North Shore Global Uranium Mining ETF	United States	\$64.91	\$104.00	\$40.68	\$641.71
V.URC	Uranium Royalty Corp	Canada	\$4.17	\$7.32	\$1.90	\$364.02

Note: Currencies for the price and market cap are respective to the country of trade.

URANIUM PRICES Source: UxC	SPOT PRICE US\$/lb U ₃ O ₈	LONG TERM PRICE US\$/lb U ₃ O ₈
January 31, 2022	\$43.00 ↑	\$40.50 ●

URANIUM PRICE RALLY SPURS FIRST EXPLORATION INCREASE SINCE 2011 (CONT'D)

“The first leg of projects that will come online will probably be restarts,” Lachapelle said, citing existing mines operated by uranium heavyweights such as Cameco Corp. “But I would still argue that these projects are looking for prices north of \$45/lb, more around the \$50/lb range.”

In the later part of the decade, advanced stage development projects could start entering the market, but those are often more capital intensive.

“Our long-term price forecast is \$65/lb,” Lachapelle said.

Optimistic outlook

Junior uranium developer Blue Sky Energy Inc. has been gradually increasing its exploration budget over the past five years, and has made multiple discoveries over the past 15 years, said Guillermo Pensado, Blue Sky’s vice president of exploration and development. The company has undertaken what it called an “aggressive exploration program” in southern Argentina at its Amarillo Grande project, which consists of three properties.

For its part, Blue Sky aims to find a company to begin production at its Amarillo Grande project soon to meet the growing need.

“We are seeing the chance to bring in a well-experienced production company in uranium or a good buyer,” Pensado said in an interview.

The International Energy Agency expects global nuclear capacity to reach 582 GW by 2040, up from the 415 GW recorded in 2020, according to a report released in November 2021.

Several major uranium companies headquartered in North America, including Cameco Corp. and Energy Fuels Corp., announced in January that they could reopen mines and mills in the wake of higher demand. Yet, adding any fresh supply sources to the world market will take time.

“Uranium mines don’t happen overnight. It takes five to 10 years in many cases for projects to go from a greenfield site through to an actual operating mine,” said Hinze of UxC LLC. “There’s a lot of folks that are trying to get into that pipeline.”●

ABOUT THE SLU₃O₈ EQUITY INDEX

The SLU₃O₈ Equity Index tracks the relative share price of a select basket of uranium-based equities, checking the market’s reaction to industry activities. The Index is based on share price movement since January 1, 2018 for the following companies:

Producers: T.CCO, T.DML, T.EFR, A.ERA, A.PDN, A.PEN, T.URE and U.JEC

Developers: V.AEC, L.BKL, T.FCU, T.FSY, V.GXU, T.LAM, T.NXE, A.TOR, T.UEX and A.VMY

Explorers: A.BMN, A.DYL, V.FUU, V.PTU and V.SYH

ABOUT SIGHTLINE SLU₃O₈

Sightline U₃O₈ is a nuclear industry research organization reporting through a monthly newsletter and supporting website created and maintained to provide uranium investors and industry stakeholders with a single source of insight into the ongoing factors that directly affect uranium prices.

We welcome your comments, questions and ideas. Please contact us at

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