



Getting physical with UPC

After late second quarter, [UPC will become the Sprott Physical Uranium Trust and be managed by Sprott Asset Management.](#)

The Trust will pursue a listing on a major US exchange. The listing aims to promote interest in the Trust, allowing for greater and more efficient access to capital.

Being able to quickly raise capital is a huge deal for a physical uranium holder. If the Trust is trading at a premium to its NAV, the Trust could quickly raise money through an at-the-market offering, buy physical uranium and close the premium. Thus, expect the new Trust to track the value of its uranium holdings more closely. That is, there's less chance the Trust will trade at a large premium for an extended period of time.

Compare that to UPC now, which can only raise money through slower underwritten offerings.

Essentially, UPC will become the uranium version of Sprott's Physical Silver Trust (PSLV).

If you want to directly own physical uranium, UPC is your best bet. You won't be able to trade in and out by taking advantage of premiums anymore. It's a simple buy and hold play – at least until uranium gets way overheated, which is far, far away.

Yellowcake also works, but remember to buy at or below NAV.

Significance for the overall uranium market

The significance of UPC being managed by Sprott is it gives average and institutional investors the ability to affect how much physical uranium the Trust will buy.

The more people invest in the Trust and the more its NAV increases, the more pounds it will take off the market, further constraining supply.



I always thought excess pounds would be depleted naturally through energy usage. I never thought a possible catalyst to ignite higher uranium prices would be average investors like us squeezing the market.

Looks like #silversqueeze is not the only squeeze retail investors can participate in. (#uraniumsqueeze)

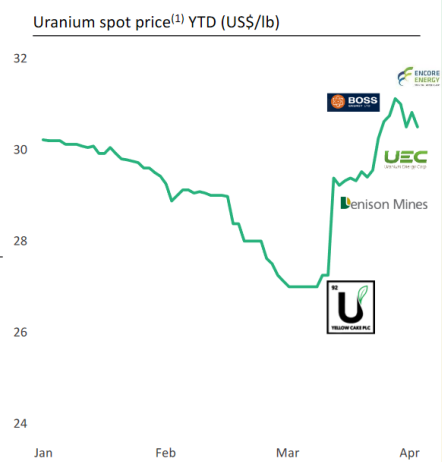
Speaking of squeezes, here are the pounds the miners have bought so far. Since the last Paladin update, enCore (EU.V) has joined the party.

New trend of project companies making spot uranium purchases

Mining companies Buying Physical U₃O₈

- New strategy from uranium project companies to utilise equity raises to purchase uranium in the spot market
- To date purchases totalling ~10.0mlb have been announced
- This equates to c.8% of forecast 2021 primary production of 127mlb⁽²⁾

	Company Purchases ⁽³⁾	Uranium Purchased
February 2021	Yellow Cake	3.94mlb
March 2021	Denison Mines	2.50mlb
March 2021	Boss Energy	1.25mlb
April 2021	Uranium Energy Corporation	2.10mlb
April 2021	enCore	0.2mlb



From Yellowcake's April 2021 presentation.

Finally, Cigar Lake has restarted. Looks like it happened before summer after all.



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