



#Uraniumsqueeze

It's finally here!

The Sprott Physical Uranium Trust (U-UN.TO) (U-U.TO) launched its at-the-market program on August 17, 2021.

As mentioned in the last update, this will allow Sprott to issue shares far more rapidly, increasing the scale of physical uranium purchases.

Since launch about three weeks ago, Sprott has acquired 5.8 million pounds of uranium!

That's A LOT.

Remember, the uranium market is operating at a deficit of around 30 million pounds per year.

So in three weeks, Sprott has increased the deficit by 20%.

When will this cause utility companies to start signing long-term contracts for uranium at higher prices?

That's the billion dollar question. While I have made estimates on the amount of excess uranium available, they remain just that – estimates.

What is certain is Sprott caused the spot uranium price to rise 33% to USD 40 since it launched. This indicates sellers in the secondary market are unwilling to give up their uranium for USD 30, where it was trading in the past year.



Eventually, some reactor operator is going to need to secure uranium supply and not rely on buying from the “excess” market. As the spot price increases towards the USD 50+ target needed to bring mines into production, contracts become more likely.

The Sprott Physical Uranium Trust remains a great way to gain direct exposure to uranium.

The market is getting squeezed like never before!



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