

Investing In The Growth Of Nuclear Energy

Nuclear energy is poised for a rebound, and the new Sprott Junior Uranium Miners UCITS ETF (ticker: URNJ) offers investors a way to participate in this trend.

The new ETF, which tracks the Nasdaq Sprott Junior Uranium Miners™ Index, is designed to offer investors pure-play exposure to small- and mid-cap uranium mining and related companies set to benefit from the global growth of nuclear power.

URNJ is the fourth ETF that HANetf and Sprott Asset Management have launched together, including the Sprott Uranium Miners UCITS ETF (ticker: URNM) that launched in 2022.

In contrast to URNM, the Junior Uranium Miners product focuses on the smaller end of the uranium miners market. The US-listed version of the ETF has gathered \$345 million in AUM (as of March 22, 2024) since its launch in February 2023.

Decarbonization and Energy Security

Nuclear energy has the least CO2 equivalent emissions versus other energy forms, making it critical to reaching net-zero energy transition goals.

Increased focus on decarbonization and energy security has shifted nuclear energy policies and government support toward nuclear power. At COP28 in December 2023, 22 countries pledged to triple global nuclear capacity by 2050.

Hundreds of new reactors are being constructed, or planned, around the globe. Demand for uranium will likely outstrip supply, which means a new bull market is likely underway that will incentivize miners to explore and develop new uranium mines. That potentially allows smaller miners to experience significant growth.

The Case for Junior Uranium Miners

Given global clean energy requirements and a positive shift in the view toward nuclear energy, new and developmental-stage uranium miners may stand to benefit because future production has not yet been contracted for many junior uranium miners, as opposed to well-established producers.

URNJ is Europe's only pure-play junior uranium miners ETF, with assets which may have potential for significant revenue and asset growth. Junior uranium miners have historically outperformed in rallies, and a new uranium bull market appears to be underway, incentivizing miners and investors.

Investors might want to consider uranium equities when expressing a positive view of uranium prices. The ETF structure offers investors a convenient vehicle to access uranium mining companies, especially those with small market caps, limited liquidity and domiciled in foreign countries.

Sprott Asset Management LP is a global asset manager providing clients with access to precious metals and real assets investment strategies.

HANetf is Europe's first and only independent white-label UCITS ETF and ETC platform. It works with asset management companies to bring differentiated and innovative exposures to European ETF investors.

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