Investor Report

29 February 2024

Geiger Counter Limited

Key Fund Facts[1]

Fund Managers	Keith Watson Robert Crayfourd
Launch Date	July 2006
Total Gross Assets	£101.3m
Reference Currency	GBP
Ordinary Shares	Net Asset Value: 68.36p Diluted Net Asset Value 63.25p (assuming all subscription rights are exercised) Mid-Market Price: 53.20p
Gearing	16.00%
Premium / (Discount) to NAV	(22.18%)
Premium / (Discount) to Diluted NAV	(15.89%)
Ordinary Shares in Issue	127,748,708
Annual Management Fee	1.38%
Bloomberg	GCL LN
Sedol	B15FW330
Year End	30 September
Contact Information	contactncim@cqsm.com
Company Broker	Cavendish Capital Markets Limited 020 7220 0500
Annual Report and Accounts Published	December
Investor Report	Monthly Factsheet
Fiscal Year-End	30 September
Results Announced	Finals: December Interims: June

Sources: [1]R&H Fund Services (Jersey) Limited, as at the last business day of the month indicated at the top of this report. [2]R&H Fund Services Limited/DataStream, as at the last business day of the month indicated at the top of this report, total return performance net of fees and expenses based on bid prices. These include historic returns and past performance is not a reliable indicator of future results. The value of investments can go down as well as up. Please read the important legal notice at the end of this document. [3]Market data sourced from Bloomberg unless otherwise stated. The Fund may since have exited some or all of the positions detailed in the commentary. [4]BMO, UxC, Company data September 2023. [5]www.eia.gov.

Keith Watson and Robert Crayfourd
Portfolio Managers

Fund Description

The objective of the Geiger Counter Fund is to provide investors with the potential for capital growth through investment primarily in the securities of companies involved in the exploration, development and production of energy, predominantly within the uranium industry. Up to 30% of the value of the Company's investment portfolio may be invested in other resource-related companies from outside the energy sector.

Key Advantages for the Investor

- Access to mining assets in the uranium sector
- May benefit from embedded subscription share
- Low correlation to major asset classes

Ordinary Share and NAV Performance[2]

	1 Month (%)	3 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
NAV	(12.78)	3.15	42.54	113.49	272.53
Share Price	(14.19)	(0.56)	23.72	60.24	162.72

Commentary[3]

Having initially risen to $107/lb, the spot U3O8 price ended February at $94.50/lb, 6.5% lower, unwinding some the previous month's gains. Related equities trended in-line with the U3O8 price and the Fund NAV similarly gave back some of the prior month's rise. The NAV declined 12.8% in February, versus the Solactive Pure Play Uranium Index which registered a 9.8% sterling decline in February.

The largest detractors to performance were Nexgen, Ur-Energy and Cameco whose share prices declined 7.6%, 12.9% and 14.9% respectively in sterling terms. However, these moves were not dissimilar to those of the physically-backed Sprott Uranium Trust (SPUT) and London-listed Yellow Cake. SPUT closed the month over 12% lower with the shares trading at a 13.5% discount to the value of its holdings, while Yellow Cake performed similarly.

Having previously flagged production issues, the Kazakh state uranium producer Kazatomprom reported disappointing production guidance for 2024 and 2025, which saw the spot uranium price rise to $107/lb in the first week of February. Guidance for total production of 21.0-22.5ktU in 2024 (54.6-58.5Mlb U_3O_8, on a 100% basis) was ~14% below its previous output target of 25.0-25.5ktU (65.0-66.3Mlb) provided in August 2022, and approximately 9% below consensus estimates for full year production of ~62.1Mlb. Although the company had recently warned of downside guidance risk due to an ongoing regional shortage of sulphuric acid and construction delays on newly developed deposits, the guidance cut was deeper than anticipated. Given the challenges to the ramp-up in production this year, achieving output allowable under 2025 Subsoil Use Agreement of 30.5-31.5ktU (79.3-81.9Mlb, 100% production), now looks comfortably out of reach.

Subsequently, in its Q4 results, Cameco maintained its recently lowered production guidance of 18Mlbs each (on a 100% basis) from both Cigar Lake and McArthur River this year. This indicated confidence that it had navigated operational issues experienced in a new mining area of the Cigar mine and ramp-up at its Key Lake mill. Attributable production is expected to be 22.4Mlbs from these operations with an additional 4.2Mlbs output expected from its 40% Inkai JV in Kazakhstan. However, the group also announced that it is assessing the potential expansion of McArthur output to 25Mlbs and, as expected, also flagged the potential to return previous operations to production: these operations included Rabbit Lake and US ISR projects which previously averaged annual output of around 11Mlbs and 5Mlbs respectively. Cameco also provided initial details for extension of the Cigar mine life to 2031 from 2026 previously, converting 73Mlbs or resource to reserve. Incremental CapEx for this extension was estimated at C$250-300m. The growth plans overshadowed the impact of the group's need to acquire ~2Mlbs of U3O8 on market, which may already have boosted spot prices, and the price slipped back to $94.5/lb.

Commentary[3]

Also notable, Cameco highlighted little change to its future contracted sales. Having sold forward approximately 27Mlbs pa from 2024-2028 inclusive, which compares to the 26.6Mlbs attributable production guidance for this year and only modest increases thereafter, the group appears to have largely sold forward supply for the next 5 years. Having signed significant forward contracts, Cameco appears to crimp its sensitivity to price changes. It will realise a price of ~US$58/lb in 2024 at a U_3O_8 price of US$100/lb (or higher), increasing to ~$72/lb in 2028.

Notably in other regions, Japan added uranium to its critical minerals list, which makes investments eligible for government-backed funding. Japan has no domestic uranium resource, but does allegedly have around 6,600tU (equivalent to ~17Mlbs) in inventory, which may support the current 12 operating reactors for six years. This may encourage overseas buying from Japanese trading houses, while it may also lead to some investment in enrichment capacity to reduce dependence on Russian and Chinese services.

AIFMD Leverage Limit Report (% NAV)

	Gross Leverage (%)[6]	Commitment Leverage (%)[7]
Geiger Counter Limited	117	117

Top 5 Holdings (%)[8]

Name	(% of Gross Assets)
Nexgen Energy	23.6
UR-Energy	13.0
Paladin Energy	9.5
Uranium Energy	8.1
Cameco	7.6
Top 5 Holdings Represent	**61.8**

The proposal to create a Subscription Right was approved by Shareholders on 26 April 2021. The third Subscription Right date is on 30 April 2024 and the Subscription Price is 37.74p for each new Share subscribed for. The Subscription period has now begun as the existing shares carry the right to subscribe (on the basis of 1 New Share for every 5 Shares held). We will write to all Shareholders in March 2024 to advise of the process to exercise their Subscription Rights.

Sources: [6]CQS, as at the last business day of the month indicated at the top of this report. For methodology details see Article 4(3) of Directive 2011/61/EU (AIFMD) and Articles 6, 7, 9 and 10 of Delegated Regulation 231/2013. [7]CQS, as at the last business day of the month indicated at the top of this report. For methodology details see Article 4(3) of Directive 2011/61/EU (AIFMD) and Articles 6, 8, 9, 10 and 11 of Delegated Regulation 231/2013. [8]R&H Fund Services (Jersey) Limited, as at the last business day of the month indicated at the top of this report. All holdings data are rounded to one decimal place. Total may differ to sum of constituents due to rounding.

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