CONTRARIAN CODEX

The biweekly newsletter for all the contrarian market news and updates (29-05-2026)

In this newsletter:

Page 1:
1H done, onto 2H

Page 2-13:
Macro analysis

Page 14-20:
Uranium and nuclear power

Page 21-24:
Oil

Page 25:
Precious metals

Page 26:
Copper

Page 27:
Cannabis & Tin

Page 28-31:
Codex uranium

Page 32:
Codex Oil and Gas

Page 33-36:
Codex Precious Metals

Page 37-45:
Codex 'other'

CONTRARIAN CODEX

1H DONE, ONTO 2H

Welcome back to newsletter edition and as always, I hope you are doing well. Before we dive in, a personal word. As we close the book on the first half of the year and enter what will likely be a just as volatile second half of 2026, I just wanted to thank you all for the continued support throughout these volatile and uncertain times, not just for the market, but the world in general. I also hope that all the content, whether in the form of the 22 part macro conflict series or these newsletter reports, has helped adequately navigate this difficult environment. Thank you for being part of this great community and I will continue to work as hard as I can to keep delivering quality content. On that note, I also took notice of some of the feedback from you all with regards to the sheer volume of content and especially when it comes to these newsletters. I fully understand that 70+ page reports are hard to digest and that even with the added summaries for the macro and uranium section, that there is still a lot to go through, so I have tried to keep everything more nuanced and to the point to hopefully increase the value it brings. I appreciate the feedback and the support and with that, let's dive right into this week's newsletter.

"You can defend the price level by letting yields rise to wherever inflation drags them and accepting the hit to everything priced off them, or you can defend the bond market by capping yields through some flavor of YCC, which means printing and feeding the inflation itself. You cannot do both. " Page 3

"If term prices keep moving up on decent, but not massive volume, it should tell you all you need to know." Page 18

"The bull case shows a 25x from here if they deliver, remarkable" Page 44

MACRO ANALYSIS SUMMARY

Alright, time to kick things off with a summary as always, even though this macro analysis part of the newsletter is a bit shorter and to the point than usual (as I noted on the first page as well). Let's hop in and the spine of the inflation argument is that April was the on-ramp rather than the peak, and the reason is that the disinflationary crutch the headline leaned on for two years has been kicked away. Core goods have swung from roughly flat a year ago to near 3% on a twelve-month basis, with the six-month annualized pace closer to 3.5%, the firmest goods inflation since 2022, and one recent monthly reading annualized out north of 8%. With the goods offset gone, the arithmetic changes and the deeper point is that an energy shock arrives in waves and you have only seen the first I believe. Gasoline and fuel oil move fast because they sell straight to the consumer, but the slow wave runs through diesel into freight into every shelf, through natural gas into fertilizer into the next planting season and food-at-home prints six to nine months out, and through jet fuel into airfares. A meaningful slug of second-half inflation is therefore already baked even if the Strait reopened tomorrow, which has consequences in and of itself as you can imagine.

Base effects compound it, since the soft prints from the back half of last year roll out of the window and get swapped for hot ones, dragging the annual rate higher even on flat monthly momentum. Shelter is distorted by the BLS rent catchup from the shutdown, but underlying shelter is still sticky in the low 3s, so the biggest component is not rescuing anyone. And then psychology, where expectations hold firm until they snap, wage demands follow in a labor market that has not cracked, and firms pass costs through because everyone else is and the customer has stopped flinching. That is how an energy shock becomes a broad, self-sustaining inflation. The market that usually takes this seriously already is. Long sovereign yields across the developed world are grinding higher in near-perfect lockstep, the US ten-year, the bund, the gilt, the French and Japanese long bonds all climbing together, which signals a global repricing of inflation rather than a local story. The glaring exception is China, where the ten-year has fallen hard, telling you the inflation is being exported in a particular direction. Equities have not made peace with any of it, at least not yet.

MACRO ANALYSIS SUMMARY

That sets up something of a trap, if you will. You can defend the price level by letting yields rise to wherever inflation drags them and accepting the hit to everything priced off them, or you can defend the bond market by capping yields through some flavor of YCC, which means printing and feeding the very inflation you were meant to contain. You cannot do both. There is even a path where a high enough annualized pace erodes real savings fast enough that households pull back and the demand air-pocket becomes its own credit accident, so inflation and contraction are not necessarily opposites. Layer on a midterm year with real wages negative for the first time in about three years and sentiment at record lows even among the base, and the political pressure tilts the resolution toward the inflationary side, because governments under electoral stress reliably choose the debt market over the currency.

On the Treasury market specifically, foreign holders own roughly a third of the float and need dollars for oil. Japan shed close to $30 billion of USTs in Q1, the largest quarterly outflow in nearly four years, with around $47 billion in March alone, China joined that month, and total foreign holdings fell by something like $240 billion in a single print. Above roughly $100 oil, holders pick energy over bonds every time, which pushes yields up, worsens the 7% full-employment deficit math, forces more issuance, and pushes yields higher still. The Russian crude license extended twice in two months and the SPR drawdown are both stopgaps, none permanent, and the base case is the Fed returning with QE or YCC before the Strait reopens.

On positioning, the short-ETF share hit only 37% after a 2% pullback versus a normal 40% after a pullback, 50% after a correction and 60% after a washout, which reads as residual fear that fuels the next leg up. The eight-week streak with 12%+ gains has only six precedents since the early 1950s, all higher twelve months out, averaging around 17%, but none occurred against a Gulf war, SPR drawdowns and a wobbling Treasury market, so the 100% hit rate does not carry its usual weight. Sell-side targets cluster at 8,000 to 8,300 with 2026 S&P EPS pushed to $340, but about half that earnings growth is AI buildout, and the ECB and others are flagging stretched valuations vulnerable to sudden repricing. The actionable conclusion is that the back half favors real assets while bonds and the consumer absorb the pain. Stay constructive on oil, gold, copper and the wider hard-asset shelf, avoid long-duration bonds, do not bet on an Iran signing yet, treat the calm tape as borrowed time, and keep a balanced long position with healthy cash and minimal leverage.

MACRO ANALYSIS

For those who remember, and honestly I wouldn't blame you if you didn't given the wall of text I keep throwing at you in every newsletter edition, I closed the macro section last time arguing that the transitory framing for this energy shock would not survive the next two prints, and I want to add some more context, because the question landing in my inbox most often since then is a simple one. Was April the peak, or was April the on-ramp? The way I read the setup, it is the on-ramp, and that is not great news.

Let me start with the piece of the data the consensus is still filing under noise. For most of the last two years the thing keeping a lid on the headline was goods. Core goods prices were flat to falling, and that disinflationary pull offset a services side that never properly cooled. That offset is now gone. Core goods have swung from roughly flat a year ago to running near 3% on a twelve-month basis, with the six-month annualized pace closer to 3.5%, the firmest goods inflation since 2022. One recent monthly reading, annualized out, printed north of 8%, and no, that is not a number I forgot to correct and yes I checked that twice when reading the report. When the deflationary leg gets kicked out from under the table, the arithmetic of the headline changes.

Alright let me explain why this is not a one-month story. An energy shock does not hit the price level all at once, it arrives in waves, and we have really only seen the first. Gasoline and fuel oil move fast because they are sold straight to the consumer. The slower wave is everything that uses energy as an input rather than selling it as a product, and that is a long list. Diesel feeds freight, and freight feeds every shelf in the country. Natural gas feeds fertilizer, fertilizer feeds the next planting season, and that planting season feeds food-at-home prints six to nine months out. Jet fuel is still bleeding into airfares. The closure has run long enough that a meaningful slug of second-half inflation is, for lack of a better word, already baked. Even if the Strait reopened in short order, which I would not bet on just yet, the pass-through already in the pipeline does not un-happen. The calendar hands us a second push, purely mechanical. The monthly readings from the back half of last year, before the conflict, were relatively soft. As those soft months roll out of the twelve-month window and get swapped for the current hot ones, the annual rate gets dragged higher even if month-to-month momentum simply holds flat. Base effects giveth and base effects taketh away if you will, and through most of 2024 for example, they were doing the headline a favor.

CONTRARIAN CODEX

MACRO ANALYSIS

Through the back half of this year they do the reverse, two sides of the same coin and all that jazz. Shelter is its own complication as the government shutdown forced the BLS into a catchup on rent data, and that distortion does not clear in a single print. Strip the quirk out and underlying shelter is still sticky in the low 3s, so the largest single component of the index is not riding to anyone's rescue. Then there is the part that shows up in no single line of the release, which is psychology. Inflation expectations hold firm right up until the moment they do not. A household that has watched the pump, the grocery bill and the airfare all move the same direction for the better part of a year stops treating it as bad luck and starts treating it as the baseline. Once that happens, behavior follows, because of course it does. Workers ask for more, and in a labor market that has not actually cracked yet, they have leverage to get it. Firms that were wary of passing costs through get less wary, because everyone else is doing it and the customer has stopped flinching. That is how an energy shock stops being an energy shock and becomes a broad, self-sustaining inflation.

The market taking all of this seriously is the one that usually does. Long sovereign yields across the developed world have been grinding higher in lockstep, and that is come Olympic-swimming level of synchronization. When the US ten-year, the German bund, the UK gilt and the French and Japanese long bonds all climb together, you are not looking at a local story about one central bank, you are looking at a global repricing of how much inflation the coming decade will carry. The glaring exception is China, where the ten-year has gone the other way and fallen hard, which tells you the inflation of this conflict is being exported in a very particular direction. The equity tape, as I argued last time, has still not made its peace with any of this. The bond market is certainly starting to.

Which brings me to the box, and it is worth being precise about how tight the walls are. If inflation runs the way I have laid out, the authorities get handed a can filled with concrete that they cannot kick down the road. They can defend the purchasing power of the currency, which means letting yields rise to wherever the inflation drags them and accepting that everything priced off those yields, from sovereign financing costs to leveraged credit to equities, takes the hit. Or they can defend the smooth functioning of the bond market, which means stepping in to cap yields (anyone ordered YCC?), which means creating the money to do it and pouring fuel on the very inflation they were meant to contain.

MACRO ANALYSIS

You can protect the price level or you can protect the debt stack, and the trap is that you cannot do both at once. There is even a line of thinking I have sympathy for that says once the annualized pace climbs far enough it erodes real savings quickly enough that households pull back hard to defend what is left, and that demand air-pocket becomes its own route into a credit accident. An inflation problem and a contraction are not always opposites.

Now set the politics on top, because this is a midterm year and the timing could hardly be less convenient for the incumbents. Real wages have turned negative on the year for the first time in like what? Three years? And sentiment sits at a record low even among the President's own base. Cost of living is the sort of issue that decides elections, whether we like to admit that or not. An electorate heading to the polls in the back half of the year with the pump and the grocery bill both still climbing is in a foul mood, and a foul mood generates pressure for someone to do something. That someone, inevitably, is the central bank, and the something is rate cuts the data does not justify. Political pressure does not change the inflation math, but it shifts the odds toward the inflationary resolution of the box above. Governments under electoral stress have a long record of choosing the debt market over the price level.

For the commodity complex, all of this rhymes with the thesis I have been laying out since the conflict began. Oil is the main focus, but a regime where the policy reaction function tilts toward tolerating inflation rather than crushing it is constructive for the whole hard-asset shelf. Gold trades less like a commodity and more like a running referendum on monetary credibility, and a world that keeps choosing the debt market over the currency is voting against that credibility. The energy-hungry industrial metals, with copper being a prime example, carry a cost-push tailwind, because you cannot smelt or refine without power and power has just become structurally more expensive. Even agriculture inherits the natural gas problem through the fertilizer line. The uncomfortable summary and I guess conclusion that I came to after finishing my notes on this particular topic, is that the second half of the year shapes up as a stretch where bonds and the consumer absorb the pain while real assets do the opposite. For those wondering, no April was not the peak of this, rather it was the print that told you where the next two quarters were heading and we are heading higher.

MACRO ANALYSIS

Oh, and one more thing on this before I forget, because it kept nagging at me after I tried to close my inflation notes. If you have read all of the above and your instinct is to point at the stock market sitting at record highs and conclude the inflation worry is overdone, I would push back, and here is why. Start with that record high itself, because it is doing less reassuring work than it looks, but most of you already knew that. The stock index and consumer confidence used to travel together, more or less, for decades. That relationship came apart a couple of years ago, and the split has only widened since. The index keeps printing fresh highs while confidence among ordinary households has slumped to levels you normally only see in the middle of a recession. Wall Street and Main Street have effectively decoupled, if you will, and only one of them is buying groceries every week.

Now do the monetary magic trick that strips out the money illusion. Price the same index in what I have been talking about as taking back its place as the global neutral reserve asset of choice (that being gold) ounces of gold instead of dollars, and the picture inverts, the thing is down something like 40% from where it stood at the start of 2022. So a chunk of that glorious nominal high is the measuring stick shrinking rather than the market growing, which is exactly what a serious inflation does and exactly what most people are trained not to see, because why would they, gold just is a pet rock after all right?

Then there is the question of what comes next. Consumer prices are the back of the pipeline. Producer prices are the front, what it costs firms to make and move things before any of it reaches a shelf, and they feed through to consumer prices with a lag of a few months. That producer gauge is already running hot, which means the next several consumer prints are, for the most part, already written. We are effectively reading last quarter's producer pressure in next quarter's CPI, and the energy shock has not even fully cleared the pipe yet and here is the part I find genuinely telling. When the data is this loaded, the people who see it first tend to start managing expectations before it lands. The Treasury Secretary has now gone on television to warn investors, in so many words, to brace for a couple of uncomfortably hot inflation readings ahead. Read that for what it is. A sitting official does not pre-warn the market about good news. That is the sound of someone getting in front of a number they have already seen the shape of. So treat the relatively calmer market reaction as exactly what it is, borrowed time, and the bill, as I laid out above, comes due in the back half of the year.

MACRO ANALYSIS

Now, because I am not covering every blade of grass (or rather particle of sand) of the Iran conflict every day anymore as part of the macro conflict series, that doesn't mean I am not closely following it, given how important it is for… well, everything. Allow me to wade back into the geopolitical swamp, because the past week or so on the US-Iran front has been a masterclass in how to look like you are about to sign a deal while doing absolutely everything except signing it. If you felt whiplash following the headlines, you were not imagining it, and the way I see it the back-and-forth tells you more about where this is heading than any single statement does. Strap in folks and let me walk you through it roughly in order. Heading into last weekend, the mood music was about as optimistic as it has been since the war started back in late February.

Trump came out swinging on Saturday and declared the deal essentially done, saying the agreement to reopen the Strait of Hormuz had been largely negotiated and would be announced shortly. Iran's foreign ministry was singing a not-dissimilar tune, with their spokesman describing the two sides as being in the final stage of a memorandum of understanding and the positions getting closer. For about half a day it genuinely looked like we were heading for a signing.

Then, because of course it does, the picture got muddier almost immediately. By Sunday, US officials were busy walking back expectations of a weekend announcement, with one senior official essentially blaming the Iranian system for not moving fast enough on signing off the language. And here is where the first real crack showed, because even as Washington talked about an imminent deal on Hormuz, the Iranians were publicly disputing that the strait had anything to do with the US at all. Their position, stated openly, was that any mechanism for the waterway is a matter for Iran, Oman, and the bordering countries, and that the strait would not simply revert to its pre-war status under any agreement. So you had both sides claiming progress while describing rather different deals, which is never a comforting sign because it feels like they are just negotiating with themselves. The shape of what is actually on the table did come into focus, and it is worth understanding. From what I could find, the framework is a memorandum of understanding lasting somewhere in the 30 to 60 day range, extendable by mutual consent, under which the strait would open with no tolls and Iran would clear the mines it laid, while the US would lift its naval blockade of Iranian ports and issue some sanctions waivers letting Iran sell oil again.

MACRO ANALYSIS

There is also talk of releasing a chunk of frozen Iranian assets, with figures around $24 billion floated by Iranian state media, though the US position has been that the unfreezing only happens once Hormuz actually reopens. As for the nuclear question, which is the hard part amongst a whole list of hard parts, that gets punted to a second phase of detailed negotiations lasting another 30 to 60 days. In other words, this first deal stops the shooting and reopens the waterway, and leaves everything truly contentious for later.

And the contentious parts are where it keeps snagging as well, because why not, as Israel has been pressing hard, with Netanyahu making clear after a call with Trump that any final agreement must dismantle Iran's enrichment sites and remove its enriched uranium from the country entirely, and Trump reportedly reassuring him he would stand firm on precisely that. Iran, needless to say, has not agreed to anything resembling that. Then mid-week the whole thing took a jarring turn when the US carried out what it called self-defense strikes on Iranian missile launch sites and boats around the strait, framed by CENTCOM as protecting its forces during the ceasefire. The IRGC threatened retaliation and called its right to a reciprocal response legitimate and certain. So we had active military strikes happening in the very same week both sides claimed to be closing in on peace, which tells you how fragile the ceasefire underneath all this diplomacy really is.

By the time we get to where things stand now, the official line has cooled considerably from Saturday's triumphalism. Rubio, speaking from India, downgraded it to a pretty solid thing on the table regarding the strait, which is a notable step back from largely negotiated and announced shortly. Trump and his team have been openly tempering expectations, even adding new wrinkles like wanting more regional countries to normalize relations with Israel as part of any deal, which is the sort of thing you raise when you are not in a hurry to close. The sticking points remain stubbornly unchanged, namely the exact mechanics of Hormuz, the fate of Iran's enriched uranium, and the sequencing of asset releases against actual reopening. So where does that leave us? Closer than at any point since the war began, genuinely, but closer is doing a lot of heavy lifting in that sentence. At least in my opinion, the gap between a stop-the-shooting MoU and anything resolving the nuclear question or other unresolved points is enormous, and this week proved both sides can talk peace and trade fire in the same news cycle. I would not be betting the farm on ink hitting paper just yet.

MACRO ANALYSIS

Now time to spend a bit of time on my favorite macro subject, the UST market, because I think this is where a lot of macro stress could come from in the near term. The setup is straightforward once you stop looking at the UST market as a closed system and start treating it as the funding leg of a global trade in which foreign holders own roughly a third of the float and need dollars to buy real goods, with oil being the most non-negotiable of those goods. The data is already showing us what happens when those two pressures collide as Japanese investors dumped close to $30 billion of US sovereign bonds in the first quarter, the largest quarterly outflow in nearly four years, and the pace accelerated through the quarter with roughly $47 billion shed in March alone. China joined the parade in the same month and the broader Asian official sector followed, dragging total foreign holdings down by something on the order of $240 billion in a single print. The cost of imported crude in yen terms is sitting at levels that historically force reserve managers to liquidate dollar assets, and the dollar asset most of them own is USTs of course.

This is the cycle I have been writing about for months. When oil stays meaningfully above around that $100 mark, foreign holders of US debt have to choose between owning bonds and importing energy, and they pick energy every time, because of course they do. Nobody is trying to put UST paper into their car to make it run. That selling forces yields higher, which makes the fiscal arithmetic worse for an administration already running a 7% deficit at full employment, which forces Treasury to issue more, which forces yields higher still. The administration has clearly noticed, which is why the temporary general license that allows the most energy-vulnerable countries to buy stranded Russian crude has now been extended twice in roughly two months. I would argue they wouldn't be doing this if they thought everything would be over soon and that the alternative is letting foreign creditors bid up non-Russian crude even further, which feeds straight back into, you guessed it, more UST selling. The historic SPR drawdown is doing the same job from the other direction, serving as a dollar-denominated oil substitute that lets allies source barrels without having to sell bonds.

The problem is that none of these tools are permanent, as I discussed before and will discuss later again as well. The SPR runs down, the Russian license can only stretch so far before the politics catch up to it, and the underlying mismatch between dollar liabilities and energy needs does not resolve until either the strait reopens or the Fed comes back with some flavor of QE or yield curve control. My base case is that we get the latter before the former, and that outcome is going to be very good for everything that is not a long-duration bond.

MACRO ANALYSIS

Now, as for two statistics that I came across as I was doing research for the macro section for this week, from the always brilliant 3F and Carson research. At their face, these two data sets (than you can see on the next page) make a very compelling case for staying long the index, and I want to walk through both of them because the way I read them is somewhat different from the way the headline framing suggests. The first is the speculative short ETF data, which tracks what share of total inverse and leveraged-short ETF activity is being put on relative to broader ETF volume. After the roughly 2% pullback we just had, that share spiked to 37%, which sounds high in absolute terms but is actually well short of where it normally lands after any meaningful drawdown. The typical readings I have in my notes are roughly 40% after a garden-variety pullback, around 50% after a proper correction, and somewhere near 60% after a full bear market washout. The fact that we got most of the way to "pullback panic" off of a 2% move tells me there is real residual anxiety in the system, the proverbial scar tissue that never fully healed during the Q1 drawdown and historically that kind of unresolved fear acts as fuel for the next leg higher rather than as a warning sign.

The second statistic is the eight-week win streak the index is on track to print this week, which is interesting on its own but becomes a lot more interesting when you filter it for streaks that delivered cumulative gains above 12%. There have only been six prior instances of that combination going back to the early 1950s, and on a 12-month forward basis every single one of them was higher, with average returns around 17% and a median closer to 20%. A 100% hit rate is the kind of number that makes me nervous and the kind of number that makes the bull case very loud at the same time.

Bear with me on the caveat, as there always is one, because this is where I have to break from the historical playbook a little. None of those six prior eight-week runs happened against the backdrop of a Gulf war, record SPR drawdowns, foreign creditors openly liquidating sovereign debt and a Treasury market that is starting to wobble. A sample size of six is already thin, and conditioning that sample on a macro regime that has no clean precedent makes it thinner still. I take the signal as a real one, and the short ETF data does suggest the bid is not crowded the way it usually is into rally extensions, but I would not size into it as if the 100% historical hit rate carries the same predictive weight it would in a normal cycle. The setup is bullish in a vacuum, and we are not in a vacuum, so take that into account.

MACRO ANALYSIS

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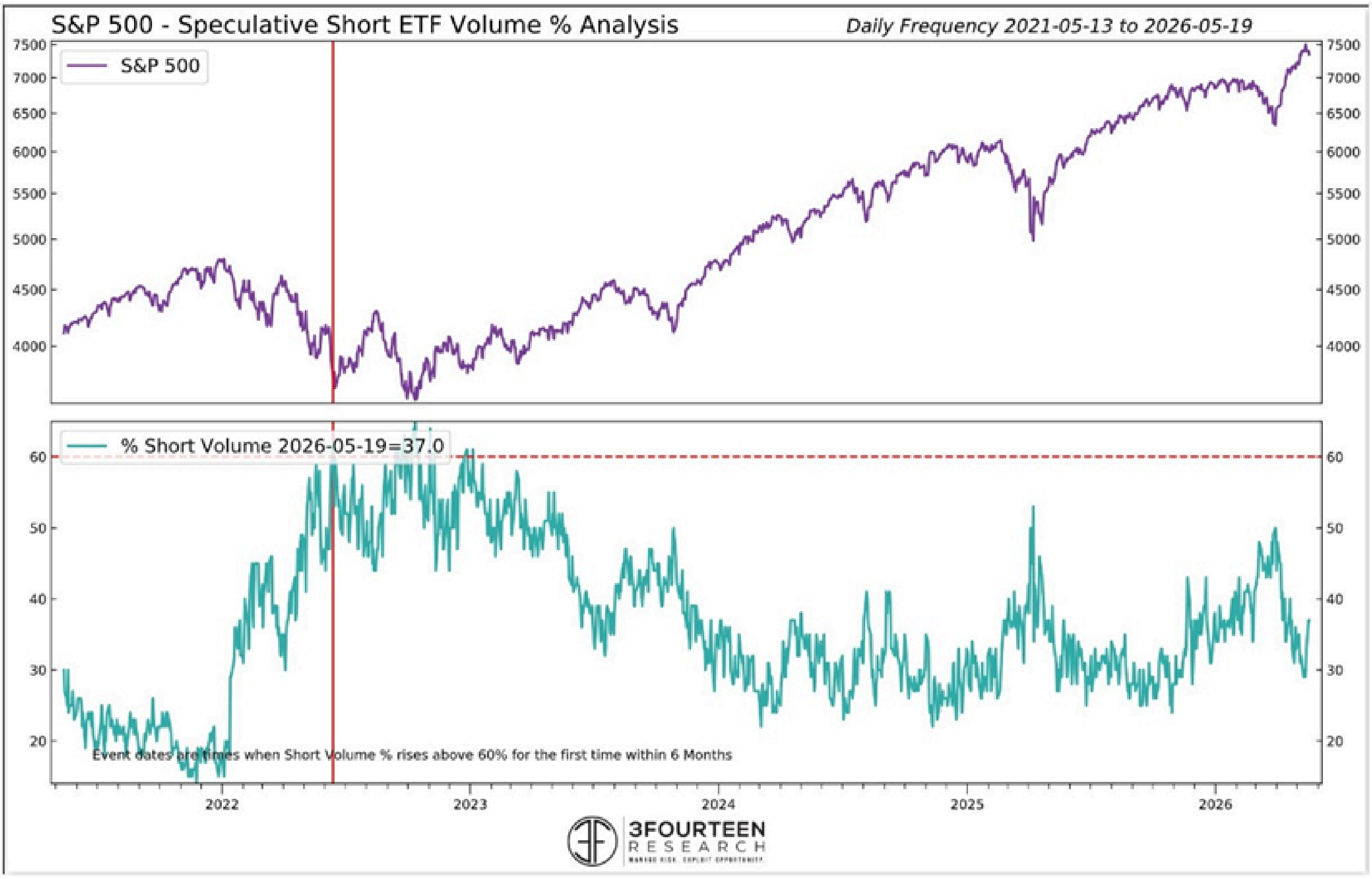

The Eight Week Win Streak Is Historic And Potentially Quite Bullish

S&P 500 Performance After Eight Week Wins Streaks Up >12% (1950 - Current)

Date Of Eight Week Win Streak	Ultimate Weekly Win Streak	8-Week Win Streak Return	S&P 500 Forward Returns: 4 Weeks	12 Weeks	26 Weeks	52 Weeks
7/8/1955	8	13.9%	-0.2%	2.4%	5.9%	12.7%
1/30/1976	8	16.2%	-1.1%	1.4%	2.6%	1.1%
11/22/1985	12	11.2%	4.7%	9.1%	19.8%	22.0%
6/20/1997	7	17.4%	1.8%	2.8%	5.3%	22.5%
3/20/1998	8	14.8%	2.1%	0.0%	-7.2%	18.2%
12/22/2023	9	15.5%	1.8%	7.6%	14.9%	24.7%
5/22/2026	8*	17.6%	?	?	?	?
	Average		1.5%	3.9%	6.9%	16.9%
	Median		1.8%	2.6%	5.6%	20.1%
	% Higher		66.7%	83.3%	83.3%	100.0%

Source: Carson Investment Research, FactSet 05/22/2026
* Win streak still active
@ryandetrick

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MACRO ANALYSIS

Finally, as you may or may not have noticed, there is a lot of confusion right now when it comes to forward price expectations of the general market, and rightly so. Over the past few weeks I have seen several very smart and highly connected analysts vividly disagreeing with each other, which is a sign of the times if you ask me. On the bull side, the major sell-side desks have been falling over themselves to raise targets, with the consensus among several of the largest banks now clustering around 8,000 to 8,300 on the index by year-end, which implies something like 17% upside on top of the roughly 10% the index has already put on this year. The index closed at a fresh record around 7,500 recently, and the bull case is clean enough that I understand the appeal. Forward earnings have actually outrun the price this year, with one prominent desk lifting its 2026 S&P earnings estimate to $340, which works out to roughly 24% year-over-year growth, and projecting another 13% on top of that for 2027. When earnings are growing faster than the multiple, the rally is at least partly grounded in something real rather than pure animal spirits and that is a meaningful distinction from prior frothy periods, which is worth noting.

The catch, and there is always a catch, is that roughly half of that earnings growth this year is coming from a single source, which is the AI infrastructure buildout (please read my previous two newsletters to get a better idea of how that is impacting the market right now). If the hyperscaler spending cycle wobbles even slightly, the earnings math that justifies these targets gets a lot less comfortable, and even the desks raising targets are openly acknowledging that AI sentiment and interest rates create two-sided risk that should cap how far valuations can stretch from here.

On the other side of the table, the central banks have started waving red flags with increasing urgency. The ECB warned this week that asset prices look stretched by historical standards and that markets are underestimating geopolitical, fiscal, and macro risks in a way that leaves them vulnerable to a sharp and sudden repricing. A senior official at another large central bank made effectively the same point, observing that there is an enormous amount of risk out there and yet asset prices sit at all-time highs, predicting some kind of adjustment eventually. The specific worry is that the non-bank financial players, the hedge funds and private credit vehicles that now dominate marginal pricing, could amplify any swing rather than dampen it. So you have one camp saying earnings justify another leg higher and another saying the whole thing is a coiled spring waiting for a catalyst. The honest answer is that both can be right in sequence and that still, even now, a balance between being long and having a healthy cash position with minimal leverage is the name of the game.

URANIUM AND NUCLEAR POWER

Current sentiment reading: 40

Observation: The sentiment data is barely clinging onto the neutral category of the reading, after briefly dipping into doubt at the start of this week. So, why are we around 2% above that same price level as at the last sentiment reading, yet the sentiment data itself is 2 points lower? Because that brief dip below the $60 line on URNM, which is the proxy ETF I use as part of this sentiment reading, did visible damage to investor sentiment. This was further exacerbated by the broad equities market just continuing to grind higher, causing additional frustration. That is not surprising of course and I share that frustration as well, but I remain unbothered by near term price action at this stage and should the broad equities market take a dip and take some of the uranium names with it (I know I know, market up uranium down and market down uranium down, I can see the messages), I will be using some of the cash position to add to my core holdings. For now though, happy to sit and wait.

- 0-10: Depression – Represents extreme negative sentiment, possibly due to adverse events or very poor market conditions. Usually indicative of a major bottom/capitulation.
- 10-20: Pessimism – Indicates generally negative sentiment with widespread concerns and low confidence. Usually seen at intermediate bottoms.
- 20-30: Caution – Reflects a cautious outlook with lingering uncertainties and hesitations.
- 30-40: Doubt – Shows a sentiment leaning towards the negative side but with some mixed feelings. If the trend is down, doubt usually shifts quickly to caution and pessimism.
- 40-50: Neutral – Represents a balanced sentiment, neither particularly negative nor positive. Where it goes after this (up or down) is very dependent on price behavior (i.e. are buyers stepping in on dips, or are they selling on intermediate rallies?)
- 50-60: Hope – Suggests a slight positive sentiment, with some optimism and positive outlook starting to form. This often provides the basis for another strong rally.
- 60-70: Optimism – Reflects positive sentiment with growing belief the rally can hold.
- 70-80: Confidence – Indicates strong positive sentiment with very apparent confidence.
- 80-90: Excitement – Shows very strong positive sentiment with high enthusiasm and expectations, most moves either turn around here to cool off or go absolutely parabolic.
- 90-100: Euphoria – Represents extreme positive sentiment, indicating the trade is getting very overcrowded with high retail participation and broad media coverage, which often leads to a market peak. This is what we only ever really see at the end of major moves.

URANIUM AND NUCLEAR POWER SUMMARY

As is tradition, let’s start with volume and price action in the spot and term markets. The spot market quieted down through the back half of May, with the price drifting from roughly $86 down into the mid-$83s before catching a small bid late last week. Volumes were thin across the period, with somewhere in the neighborhood of 2 million pounds trading hands across just under 30 transactions, which by recent standards is on the lighter side of normal. The pullback is not the result of any motivated supply hitting the offer, at least not from what I have heard and that would be the proverbial red flag, it is simply buyers stepping back ahead of more developments. Utilities tend to table near-term discretionary buying in the lead-up to a major industry gathering or other major event and then come back into the market in the weeks that follow once the in-person conversations have firmed up procurement plans. I would not read much into the price action in the meantime. A handful of spot transactions did clear early in the week involving delivery into Orano's French facility, plus a couple of smaller sub-100,000 pound transactions in the other direction, but beyond that the tape stayed effectively silent.

The long-term market is a ‘same thing, different day’ story and again for those who missed it, the term price indicator moved up another roughly $3 to print at around $93 per pound for May, and the volume underneath it shows somewhere around 8 million pounds clearing in just a handful of transactions over the past two weeks, with year-to-date long-term volume now sitting comfortably above 28 million pounds across just under twenty deals. What was notable is a large US utility tender currently in the market seeking north of 7 million pounds for delivery spread across roughly 2027 to 2035, which sits squarely inside the contracting window I have been writing about as the critical period for contracting. It appears that the market is contracting fewer deals at meaningfully higher prices, with off-market activity layered on top of the public RFPs that everyone can see. If term prices keep moving up on decent, but not massive volume, it should tell you all you need to know.

My base case is that the floor in spot sits somewhere in the low-$80s and probably does not break much below that before utility buyers come back in. There is enough activity in the market to backstop spot at those levels barring a black swan event, and the broader news flow on the nuclear demand side has been relentlessly positive enough that sentiment is hanging in better than the equity tape would suggest. The seasonal pattern matters here too. Spot tends to firm into the second half of the summer as utilities work through their fuel cycles ahead of fall reload planning. For now though, we wait patiently for more activity.

URANIUM AND NUCLEAR POWER SUMMARY

Well, I promised to get back to you all with more news on the Cameco bridge related developments that we saw pop up recently. I noted we would ‘cross that bridge when we get to it’, so let’s do that and it resolved faster than some expected, and I am pleased to be writing the follow-up rather than the obituary. For those of you who may have missed it, Cameco has confirmed that both the Key Lake mill and the McArthur River mine are back to full production activities after the flooding disruption I wrote about a couple of weeks back, and crucially the consolidated 2026 production outlook stays exactly where it was at 19.5 to 21.5 million pounds Cameco's share. There was no downgrade nor guidance reset, as I expected.

So how did they actually solve it? Well, it’s not exactly clear, but it’s not by fixing the bridge, which is the part worth understanding. The Smoothstone River Bridge on the primary supply route partially collapsed under flood waters and ice, and the timing to restore that primary route is, in Cameco's own words, still being confirmed. What changed is the secondary route. The alternative roadway, to my understanding, had weight and traffic restrictions on it that initially made it useless for the volume of consumables a high-grade operation needs, but Cameco has now reached the point where it can consistently move the required volume of critical operating materials over that secondary road. So this is a workaround rather than a repair, and at least in my opinion that distinction is worth keeping in mind, because the primary route is still down and there is no firm date on getting it back.

The forward-looking language reflects exactly that as well. Cameco explicitly flags the risk of delays in restoring the primary route, and the possibility that further spring thawing and precipitation events could throw up fresh road restrictions and interrupt deliveries again. Northern Saskatchewan in the back half of spring is not a settled environment by any stretch and the company is being upfront that the secondary-route solution holds only as long as that road stays passable. The proverbial all-clear this is not, but it is a working operation again, which is what counts for the next set of packaged pounds. On the financials, let me lay it out one more time for the people in the back, Cameco's share of McArthur River and Key Lake ran at 3.5 million pounds in Q1 out of 5.0 million total, and with the operation never having missed a beat in the consolidated plan, the Q2 earnings hole some may have been worried about effectively closes. Remember there is still that extended third-quarter Key Lake maintenance shutdown coming for the infrastructure tie-ins, so the back half always had a planned soft patch, and avoiding an unplanned one on top of it is exactly the outcome holders wanted.

CONTRARIAN CODEX

URANIUM AND NUCLEAR POWER

Now for another development and this time the kind that does not move the spot nor term price on the day but absolutely shapes how the cycle plays out. On a recent Centrus earnings call, management drew a line I had been waiting for someone in the fuel chain to say out loud. Utilities, they said, are behaving strategically rather than desperately, covering their bases the way they always do. And then, almost as an afterthought, the hyperscalers are getting into this market now. For those who have read me on the structural deficit for a couple of years, you will know why that second half made me put the coffee down.

Here is why it matters. For the entire history of this market the term contract has had essentially one counterparty, the utility. Utilities are methodical, they negotiate hard, and they will not chase a price, part of why contracting volumes lagged even as the deficit got obvious. A hyperscaler is a different animal. It carries a balance sheet most utilities can only dream of, it is defending hundreds of billions of data center spend that is worthless without power, and it will not quibble over a few dollars a pound when fuel is what stands between it and a stranded asset. NexGen's Leigh Curyer drew the comparison earlier this year and I think it holds, this is automakers locking up lithium a few years back, except the tech giants want to do it ahead of the rush rather than during it.

And the more interesting part is where in the chain they are showing up. NexGen has said openly it is in talks with data center operators about helping finance the Rook I build, and that is what should make you sit up. The chronic problem for greenfield uranium has always been capital, projects that pencil at $120 uranium but cannot get funded at $80. A buyer willing to underwrite the mine for earmarked supply, with the price upside left intact, solves that in one move. The catch for everyone else is arithmetic. There is only so much uncovered supply between here and the mid-2030s, utilities are already behind, and a richer and faster bidder has just joined the queue ahead of them. Add in HALEU, the enriched fuel the small reactor bets depend on and which barely exists at commercial scale, and the same squeeze runs through the enrichment stage too. The deficit was always going to be there with or without the data centers. What is new is a second buyer landing on top of it, with deeper pockets and more urgency than the first, and that earns a lot more than a passing mention.

URANIUM AND NUCLEAR POWER

When it comes to western fuel cycle capacity, this is pretty massive as we see Project IKE moved a meaningful step closer to becoming an operating facility this past week, with the NRC formally accepting Orano's license application and committing to an accelerated 12-month technical review rather than the historical two to three year cycle. The acceleration, for those of you keeping track of what is a significantly positive development for nuclear power in the US (and god knows we needed it) inside the broader push to modernize NRC licensing under Executive Order 14300, and it's safe to say this is a very consequential development as I noted above. Allow me to elaborate on what IKE actually is, apart from a former US president of course (including but not limited to, but I am not here for a history lesson), because I think the headline number most people are seeing is going to mislead them a bit with regards to the strategic significance. The big numbers first. The project is a $5 billion, 750,000 square foot gas centrifuge enrichment plant sitting on a 600+-acre parcel of former Manhattan Project land in Roane County, recently transferred from DOE control to the local industrial development board. The centrifuge technology is supplied by Enrichment Technology Company, the joint venture between Orano and Urenco that already underpins the Georges Besse 2 facility in southern France, and that proven operational track record is a meaningful piece of why the NRC felt comfortable accelerating the review I believe. The DOE has already committed $900 million in funding under the $2.7 billion enrichment program, as most of you will have seen. The federal contribution de-risks the licensing and early construction phases, with private capital backed by long-term utility offtake expected to carry the remainder of the bill. As with uranium, or at least with various producers, capacity is not getting built without long term commitments (or homes as Grant likes to say).

The capacity numbers are where this gets even more interesting. Orano's public marketing that I read through describes IKE as a four million SWU per year facility at initial production, but the actual license application filed earlier this year requests authorization for roughly 7.4 million SWU per year across four separations building modules. Each module is in turn split into two sub-modules of 12 centrifuge cascades, with each sub-module rated at around 925,000 SWU. The design also allows for enrichment up to 10% U-235, which means the facility is positioned to serve both the conventional LEU market and the LEU+ market that the advanced reactor and SMR crowd are going to need into the back half of the decade, at least to my understanding. The expandable modular structure is the proverbial key feature here, because it should in theory and hopefully also in practice allow Orano to scale production in line with customer commitments rather than betting the whole capital plan on a fixed end state.

URANIUM AND NUCLEAR POWER

Now for the context, because the volume picture is very important at a time when the west really *really* needs more domestic nuclear fuel capacity if this nuclear renaissance is going to be powered adequately. US utilities purchased roughly 15 million SWU in 2025, and the only commercial enrichment plant currently operating on American soil is Urenco USA's Eunice, New Mexico facility at around five million SWU per year of capacity. The remaining 10 million SWU per year of demand is sourced from abroad, with somewhere between 20% and 27% of total US enriched uranium historically coming from Russia, which equates to roughly 3.5 to 3.75 million SWU per year of direct exposure to a supplier that is legally prohibited from delivering into the US market once the waiver window closes at the start of 2028 and would you look at the time, it’s already mid-2026, oh how it flies. The math is unambiguous as you can imagine, as IKE at its initial 4 million SWU capacity would functionally replace the entire Russian footprint in US enrichment, and at full license build-out around 7.4 million SWU it would cover roughly half of total US demand from a single domestic facility if my math is correct on this.

The timeline is the part of the story that also require just a bit more context, as does everything in this opaque industry. The spring 2027 completion target is the NRC's own aspirational review schedule, not a date Orano controls or has committed to, and the regulator has been explicit that the 12-month timeline assumes high-quality and timely responses from the applicant. Orano's own language has been more measured, acknowledging that historical enrichment licensing has run up to three years and that the new NRC efficiencies may or may not fully shorten that. Even on the optimistic path where the review wraps cleanly in 2027, construction then takes roughly 4 years and first LEU production at IKE is targeted for the early 2030s with 2031 the company's stated objective. Anyone who has watched a large nuclear industrial project (or a uranium mine project for that matter) hit its original cost and schedule will appreciate that 2031 should be treated as a stretch goal rather than a base case, because slippage risk in both the regulatory review and the construction phase is genuinely real.

That leaves a multi-year and potentially multi-year-plus window between the Russian ban going fully into effect and the first material domestic replacement supply coming online. Urenco USA's ongoing expansion adds roughly 700,000 SWU per year in Eunice through 2027, which helps but is nowhere near sufficient to plug the gap on its own. Urenco's broader expansion program is worth pulling apart for that reason.

URANIUM AND NUCLEAR POWER

The original three-site program announced across Eunice, Almelo in the Netherlands, and Gronau in Germany totals 1.8 million SWU per year and is the build-out currently being delivered through 2027. Urenco has subsequently layered additional capacity onto its European sites, taking the updated global program total to roughly 2.5 million SWU per year. The catch is that only a portion of that European capacity is contractually committed to US offtake, with the rest serving European utilities that face their own structural deficit and have their own Russian dependency to unwind. The bridge problem is real and it cannot be engineered away on a faster timeline than physics, concrete, and the NRC will allow.

My takeaway though is that IKE is one of the most consequential pieces of new Western enrichment capacity announced so far this cycle, and the NRC's willingness to accelerate the review is the first tangible sign that the regulatory bottleneck is genuinely being addressed rather than just talked about. But the gap between 2028 and whenever IKE actually starts producing pounds means the west still needs to secure more capacity and/or find other ways to ensure continued fuel security. Given the importance of nuclear power to various western nations, not the least of which being the US itself, of course they will find a way to secure that. However, long term solutions for domestic fuel supply are still needed and IKE is a step in the right direction that I hope will serve as a starting shot for further expansion. Let’s see how it goes, as this nuclear renaissance will need a lot of fuel.

OIL

Would you look at that, WTI below $90 and Brent at just around the mid-$90s level, all amongst continued trouble in the global oil markets. That is remarkable, sure, but it doesn't pain the full picture in my view. Despite that price action to the downside over the past week though, the picture in oil continues to look a bit uncomfortable, even after speaking with my favorite green chicken last week, and that is putting it mildly. I have seen some people describe it as ‘sleepwalking into global disaster’ and while I am not in the same doom and gloom camp as that view, I do agree that it feels like a race against time. Global visible inventories are drawing at a pace I have not seen in my career, and the data that landed on my desk last week makes the situation almost impossible to misread. Total visible stocks have collapsed from roughly 8.5 billion barrels at the start of the year to a trajectory that puts them at 7.6 billion by the end of June and 6.8 billion by September if nothing changes. The first of those numbers is what the industry appears to be calling the operational stress level, the point at which the system starts groaning audibly. The second is the operational floor, the minimum required to keep pipelines pressurized and refineries running. We are about five weeks away from one and roughly four months away from the other.

The flow math is even more sobering. Since the Strait of Hormuz effectively shut, the world has been losing somewhere in the neighborhood of 100 million barrels every week, and the cumulative supply loss since late February now sits north of one billion barrels. That is what has already been pulled from the global tank gauge. Gulf producers as a group are shut in by something close to 14 million barrels per day below pre-war levels, and although Saudi Arabia and the UAE have done a decent job redirecting some cargoes through terminals that load outside the strait, the gap is far too wide to plug with workarounds alone and that is not even mentioning the damage that was done to oil and gas infrastructure in the Gulf, which I of course covered extensively before.

This is where the public commentary out of the integrated majors becomes useful, because their language has shifted in a way that I think some investors have missed, but these guys are so big in this sector that it’s worth paying attention to. The CEOs running two of the largest US producers are now using the word "shortages" in earnings communications rather than the more polite "tightness" they were defaulting to in March, and the head of the world's largest oil company has warned that onshore inventories of gasoline and jet fuel are heading toward critically low levels ahead of the northern hemisphere summer driving season.

OIL

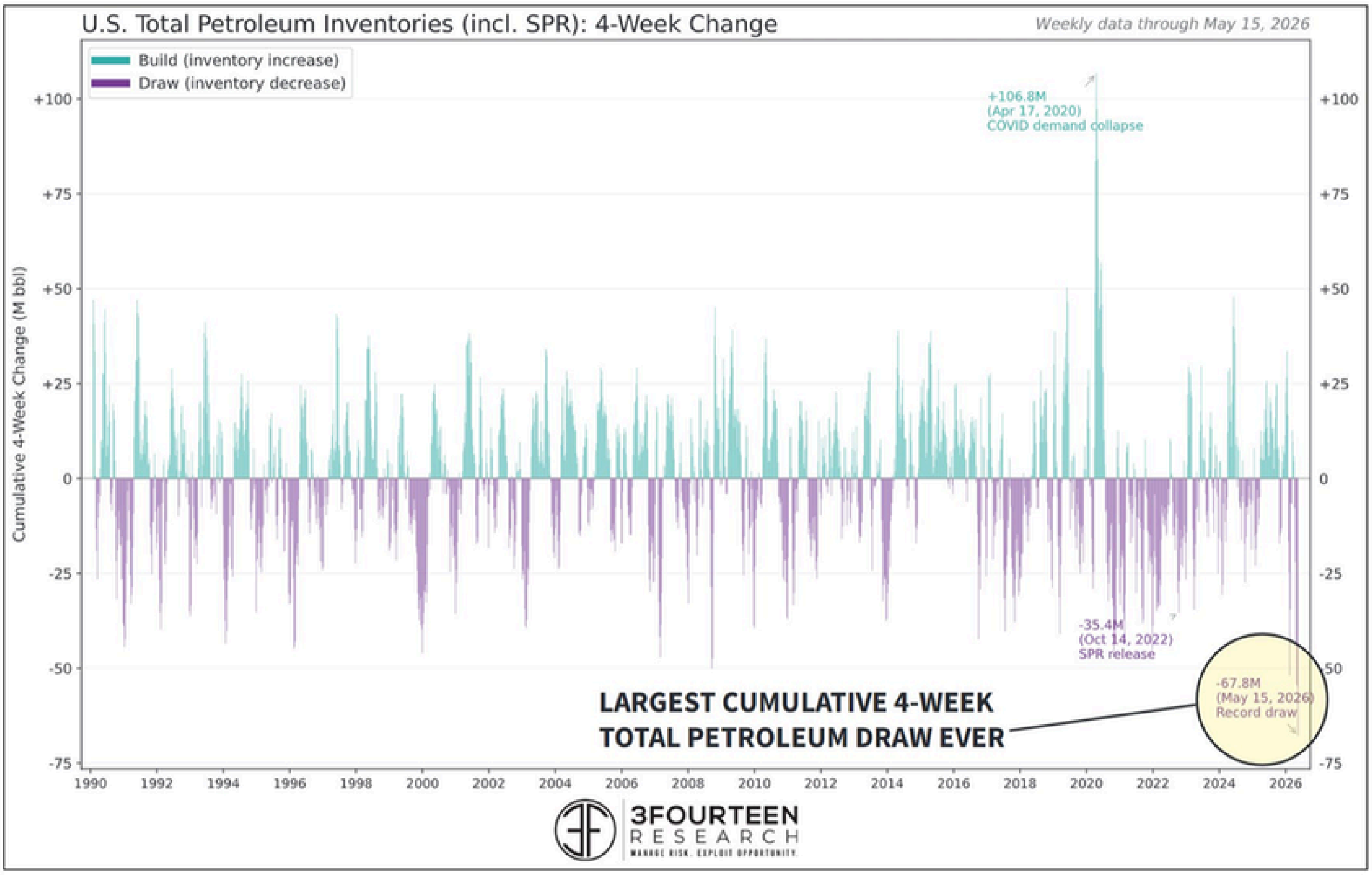
When operators with that kind of physical exposure start describing the inventory cushion as "materially depleted," I tend to take them at their word, because they are reading the same tank gauges and pipeline schedules that I admittedly cannot.

Allow me to elaborate on the price implications. Brent is currently floating around $97 on the back of cautious optimism over the latest ceasefire framework, which would extend the truce for roughly two months while Washington lifts the blockade and Tehran reopens the strait. I am skeptical of this holding cleanly, and so is the curve, which keeps refusing to roll over despite the steady drumbeat of diplomatic headlines. The historical work on inflation-adjusted Brent suggests that meaningful demand destruction does not really begin to bite until oil approaches something like $140 in today's dollars, which means there is a wide pricing corridor between here and the level at which consumers actually start cutting back. If the strait stays restricted and the aforementioned inventory floor is breached, the upper bound of that corridor starts to come into play.

What is keeping a lid on things right now is the strategic reserve drawdown. The US is releasing crude from the SPR at the fastest weekly pace in something like 45 years, and the coordinated IEA action earlier this spring tacked another roughly 400 million barrels of stated capacity onto the buffer. The proverbial problem is that a strategic reserve is not a printing press, in the same vein that you can’t put your balance sheet with pounds of uranium in a reactor core as I like to say. Every barrel released is a barrel that cannot be released again, and the trajectory of releases is now steep enough that it functionally caps how much longer this mechanism can keep prices from finding their structural level. My base case has not changed for now as you can imagine. If the strait stays meaningfully restricted into the back half of the year, Brent works toward $130 and probably overshoots before any relief comes through. If the talks collapse and we get a return to the broken-ceasefire pattern we have been watching for the past couple of months, $140 stops being an upper bound and starts being a magnet, and that is a number I would not want to be short into a summer demand pull and a depleted reserve buffer. The oil positions remain in place in case this does materialize.

OIL

What does that SPR release look like? Well, courtesy of Warren Pies, it looks like a seasonally adjusted gasoline inventory number that is the lowest in 12 years, a distillate inventory number that can legally drink now as it is the lowest in over 23 years and a spike downwards that dwarves every previous instance as you can see below. We are on a timer with this one ladies and gentlemen and we need some resolution and/or other means to get flows going again, otherwise this is going to end badly.



Now allow me to elaborate on something most people are missing about why oil has not run further given the inventory backdrop I just walked through, courtesy of JH (@CRUDEOIL231 on Twitter/X). There is a structural plumbing story underneath all of this, which he shares and trust me he is a lot more qualified to go through this than I am even if I spent a ton of time on this recently, that explains why the futures complex has refused to behave the way it normally does during a Middle East scare.

OIL

The first anomaly is that Brent open interest cratered when it should have surged. In any typical flare-up, speculative money piles into the front of the curve and pushes open interest higher as everyone grabs for directional exposure. Interestingly enough, this time the exact opposite happened, with open interest collapsing even as daily volume went vertical. That is the signature of a market where everyone is willing to pass the proverbial hot potato during the session but nobody has the stomach to hold overnight risk into the next headline, and even that intraday churn is now drying up.

The mechanical reason is that the vol explosion blew through VaR limits at both the systematic and discretionary shops, and the exchanges responded by roughly doubling margins on Brent, which made just holding a position prohibitively expensive. Money managers had no real choice but to retrench, and the capital that used to express a view through futures had to find somewhere cheaper to live. It found two homes (I don't know why I wrote that with Grant Isaac's voice in my head, but that's what listening to 75 Cameco conference calls will do to you). The first is WTI, where CME's portfolio margining offers meaningful capital relief on inter-commodity spreads and made it dramatically cheaper to express a view there than in Brent. The Brent-WTI blowout reinforced the move by opening the physical arb to send North American barrels into Europe and Asia, with the large trading houses locking those margins in via long WTI and short Brent. That spread trade put a hard floor under WTI open interest, and it is why CFTC data has shown swap dealer shorts surging while commercial longs offset them, with the shale patch dumping panic swaps into the banks after getting caught severely under-hedged into the rally.

The second home is options, where you can stay directional with strictly capped downside and no brutal mark-to-market calls eating your balance sheet at three in the morning. Long premium has been the only sane way to play it, and shorting options into this vol regime is a quick way to blow yourself up. The flow has concentrated at the ultra-short end where weekly WTI options now run around 33,000 contracts per day, up nearly 50% year on year, and 0DTE share of the WTI options complex has grown from roughly 25% to 30% while 1 to 3 day contracts have moved from 34% to 39%. The aforementioned price suppression is not telling you the bullish thesis is wrong, at least not directly, but it is telling you the marginal price-setting bid in futures has been forcibly removed by margin policy and when those barrels we just discussed start hitting the operational floor, there is no deep speculative cushion sitting on the other side.

PRECIOUS METALS

Gold is still above $4500 and silver is still above $75, short term volatility or not, the bull case remains firmly intact this cycle and gold remains one of the most interesting setups in the market, because the consensus narrative coming into this conflict has fallen apart in a way I think most allocators are still pretending not to notice. The bear case at the start of the war was clean and simple. China would choke on its lack of Gulf oil, scramble for dollars to source energy elsewhere, and dump some portion of its gold reserves to pay for those barrels. It is the same argument those that have been in the trade far longer than me heard in the early 2010s, when consensus was convinced Beijing would be forced to liquidate Treasuries, and that thesis has worked out roughly never. What the PBOC data actually shows is that monthly gold accumulation has gone vertical. Through 2025 they were adding somewhere in the 30,000 to 80,000 ounce range each month at a fairly steady pace, with the occasional dip when prices ran too hard. In March they stepped up to roughly 160,000 ounces. In April they more than doubled that to around 258,000 ounces, the single largest monthly add the series has ever printed. That is not the behavior of a country being forced to sell to fund anything, that is the behavior of a country treating the aforementioned war-induced selloff as a gift and loading up the truck, like a good investor would.

The broader pattern matters more than the China story alone. The historical playbook from emerging market crises has been very clear, and when sovereign bond yields blow past credibility thresholds in countries with fiscal problems, the locals buy gold and the central bank buys gold and the official sector flips from price-taker to price-setter. The punchline that the consensus is still ducking is that the phrase "emerging market with fiscal problems" now describes most of the developed world. At the risk of sounding like a broken record again, the US is running a 7% deficit at full employment and Europe is staring at industrial deindustrialization while the ECB pretends its bond program is normal policy.

The one bear argument that does have weight is the forced-seller dynamic in countries that need dollars for energy. Turkey has already burned through roughly 120 tonnes to defend the lira and cover oil imports, and if Hormuz stays restricted into the summer, that list of forced sellers is likely to grow. I see that as a tactical pullback risk towards the higher $3000s area rather than a thesis break. Once the energy shock turns into a growth shock, central banks turn dovish, real rates collapse, and the structural buyer is back at the bid. The path to a five-digit gold price over the cycle runs through deglobalization, electrification, and the redistribution of monetary reserves away from the dollar system, and none of those drivers have weakened. We have higher to go, even if the near term could be painful.

COPPER

Despite the price action, there honestly has not been a great deal of genuinely fresh copper supply or demand news, at least not from what I could find. Most of the copper story doing the rounds right now is the same set of disruptions I have been tracking all year, the Grasberg force majeure, El Teniente, the downgrades at Quebrada Blanca, and China's sulfuric acid export halt, none of which is actually new recently.

As for that price action though, copper has been pressing right up against its all-time high, trading around the $14,000 a ton mark on the LME, which puts it within a couple of percent of the record. What is interesting, at least the way I see it, is that the most recent leg has very little to do with a new mine outage and almost everything to do with the same Middle East dynamic I have been writing about before. For those who missed it when I noted that before, the link runs through sulfur and sulfuric acid as roughly 15% of global copper production leans on sulfuric acid availability for heap leaching and processing, and the Gulf is a major supply hub for that input, so as long as Hormuz stays impaired the market is pricing in a second-order squeeze on copper production on top of the direct supply problems already in place. You could see that mechanism work in both directions over the past week. When the US strikes and the mine-laying reports landed, copper firmed on fears of prolonged disruption to that sulfur flow. Then as the peace-deal noise turned more optimistic and Iran floated its unofficial draft on lifting the naval blockade, copper eased back toward the $6.30 to $6.40 per pound area on hopes that GCC sulfur and acid shipments would normalize. So copper is now trading partly as a Hormuz derivative, which is not a common thing to be fair.

Underneath all of that, the structural picture has not budged. Smelter treatment charges remain on the floor, Codelco is still chasing around $2 billion in cost cuts, and the concentrate market stays painfully tight. From what I can tell, the near-term price action is being whipped around by geopolitics.

CANNABIS & TIN

Allow me to pick up the cannabis thread where I left it in the last report, because there has been some movement and not just more procedural shuffling. The federal rescheduling hearing now has its combatants formally lined up, with both the main reform camp and the main prohibitionist camp having filed their notices to participate, which means the proceeding that kicks off toward the end of June will be a properly contested affair rather than a rubber stamp, the reform side arguing consumers deserve a seat at the table and the opposition side insisting a move to Schedule III has no scientific basis and simply hands the industry a windfall. The window to file as an interested party has now closed, so the cast is essentially set.

Why does any of this matter for the operators? Because the real prize sitting at the end of this whole process is tax, specifically relief from Section 280E, which has spent years strangling operator margins by barring them from deducting normal business expenses, and the fresh wrinkle that crossed my desk this week is that Treasury and the IRS have now confirmed they intend to issue new tax guidance for the industry once rescheduling actually goes through. That, at least in my opinion, is the difference between a sentiment trade and a catalyst and it is the piece I would be watching most closely. There is also a rather less convenient development worth flagging, and it cuts the other way. The hemp-derived THC market, which is to say the gas-station Delta-8 and THC-beverage world that has ballooned over the past few years, is now staring down federal recriminalization due to take effect later this year, and from what I can tell the people closest to the policy do not expect Congress to ride to the rescue beyond perhaps some tinkering around the edges with THC limits and maybe beverages. So one corner of the cannabis world gets a regulatory tailwind while another corner gets the rug pulled out from under it, which is rather the story of this entire industry, I guess.

On tin, I will keep it short and honest, because nothing genuinely new has landed since I last wrote on it. The supply and demand picture sits exactly where I left it, the price is holding its elevated range, and I am not here to go through the same old stories again. The moment something actually moves, you will hear it from me.

CODEX URANIUM

Cameco, NYSE: CCJ

Beyond the news that I discussed earlier in this newsletter with regards to the bridge collapse, there is not much to discuss on the Cameco front other than that they are following sector price action and dropping a bit under the consolidation line.

Denison Mines, NYSE: DNN - Cost basis: $0.35 - Percentage allocated: 80%

There was no news to report on.

Energy Fuels, NYSE: UUUU - Cost basis: $1.47 - Percentage allocated: 80%

There was no news to report on.

Bannerman Energy, ASX: BMN - Cost basis: AUD$0.79 - Percentage allocated: 100%

Rather than pretend there is more recent news than there actually is, the company is just focused on development at Etango and still doing their jobs well.

Global Atomic, TSE: GLO - Cost basis: C$1.86 - Allocated: 100%

The latest release from Global is essentially a political support update, which is all nice and well, but a financing update would be more welcome. The CEO and senior team made a high-profile visit to Niger, met with the President, the Prime Minister, the Mines Minister, the Foreign Affairs Minister, and the US Chargé d'Affaires in Niamey, and brought the SOMIDA board including the local government directors out to the Dasa site for the first time.

CODEX URANIUM

Global Atomic, TSE: GLO - Cost basis: C$1.86 - Allocated: 100%

President Tiani issued a strong written endorsement of the project as a strategic national investment and instructed his ministries to support the partnership. That is useful given the political risk overhang that has shadowed this story since the 2023 coup, and it reads as the government once again formally locking in its support for a project where it owns a 20% interest and is obligated to fund its share of capital. No guarantees of smooth sailing, but still nice to see.

Another decently substantive new piece I want to flag is the Algeria angle. Niger and Algeria have signed a Cooperation Agreement that includes the potential opening of a trade corridor connecting Dasa to the Mediterranean via Algeria. The road from Dasa to the Algerian border is short and the company is now flagging this as a real logistics alternative to the historically primary southern route through Benin, which has been on and off since the coup. If that corridor materializes, it is a meaningful de-risking of supply chain and yellowcake export logistics, which has been one of the underappreciated drags on the capex line. What was not in the release is what the market actually needs though. There is no update on the US Development Bank debt facility, no update on the potential JV partner taking a minority stake in Dasa, and no concrete financing news of any kind. Process plant commissioning is still officially scheduled for Q4 2027 with first yellowcake in H1 2028, but those dates are explicitly subject to financing being closed, and the company itself acknowledges that any delay in funding directly extends the development schedule.

Now for the cash math, or at least a stab at it. Global Atomic ended Q1 2026 with roughly C$59 million in cash, having closed a C$72.5 million equity raise at C$0.88 per unit in early February. Q1 spending on property, plant, and equipment related to Niger was C$22.4 million, compared with C$27.7 million in the year-ago quarter, suggesting the company is already throttling spend modestly to extend runway, which is what I believe they have hinted at as well. Layer on corporate G&A of roughly C$4.3 million for the quarter and the all-in quarterly cash outflow lands in the C$25 to C$28 million range, partly offset by roughly C$0.3 million in management fees from the Turkish JV and the prospect of a mid-year dividend distribution from that joint venture, which holds around US$8.7 million in cash at the JV level if I recall correctly.

CODEX URANIUM

Global Atomic, TSE: GLO - Cost basis: C$1.86 - Allocated: 100%

Running the math forward, the company has roughly 2-2.5 quarters of runway at current pace, putting the cash exhaustion point somewhere in Q3 to Q4 of this year if spending continues at recent levels. If they shift into capital preservation mode and pull quarterly capex back toward C$15 to C$18 million, that runway extends into late Q4 or early 2027, but every quarter of slower spend pushes the commissioning date further to the right. The project still requires roughly US$265 million of additional funding on top of the February raise to actually finish the plant and reach first production, and that gap is too large to plug with another equity-only raise without significant further dilution.

The honest framing I think is that the political news is positive on the margin and the Algeria corridor is interesting and a net positive if it materializes, but neither solves the financing problem. With share count having more than doubled from where it sat at the start of 2025 and the underlying need for hundreds of millions of additional dollars still on the table, every progress update has to be weighed against the dilution that is functionally already baked into the path to first yellowcake. My base case remains that the company needs to come back to the market in some form within the next two quarters, or they need to secure financing before the Summer is over. Possible? Certainly, but the clock is ticking.

Devex Resources - ASX: DEV - Cost basis: $0.159 - Percentage allocated: 65%

There was no news to report on.

enCore Energy - NYSE: EU - Cost basis: C$2.81 - Percentage allocated: 100%

Did not have adequate time to go over recent results, but it's on the list. My apologies.

Cosa Resources, TSX: COSA - Cost basis: C$0.31 - Percentage allocated: 80%

Time to talk Cosa and the chemical assays from their winter drill program at the Murphy Lake North joint venture with Denison came back, and the headline number is a 5 meter intersection averaging 0.55% U_3O_8 from drill hole MLN26-013, with a higher-grade core of 0.5 metres running at 1.7% U_3O_8 inside that interval. The intersection sits at roughly 265 metres depth and is open along strike for 600 metres in each direction along what the company is calling the Cyclone trend. The setup is geologically interesting and the share price did almost nothing on the news. I want to walk through why both of those things make sense, at least to me. A 0.55% U_3O_8 intercept over 5 metres is a respectable hit in any uranium jurisdiction on earth, don't get it twisted.

CODEX URANIUM

Cosa Resources, TSX: COSA - Cost basis: C$0.31 - Percentage allocated: 80%

The complication is that the Athabasca Basin is not any uranium jurisdiction on earth. This is the highest-grade uranium district in the world, where comparable nearby deposits run into the double digits in percentage terms and where the indicated grade at IsoEnergy's Hurricane deposit, sitting 3 kilometers to the west of this hole, is somewhere around 48% U3O8 over selected intervals. By that yardstick a half-percent average is solid early-stage exploration but it is not the kind of bonanza hit that makes the speculative crowd lose its mind. The 1.7% peak is very encouraging, absolutely, and you have to get these intersections first before finding something like a second Hurricane (and if there is one team I back to find a second Hurricane, it's the team that found the first one).

What the assays also confirm is something more analytically useful than the grade itself. The mineralization carries roughly 4.1% nickel and 1.7% cobalt alongside the uranium, and that polymetallic signature is the geochemical fingerprint of the highest-quality Athabasca deposits, including Cigar Lake, Key Lake, and Hurricane itself. Polymetallic mineralization is the signature of a deposit formed where reduced basement fluids met oxidized basin-derived fluids at structural pathways near the unconformity, which is the entire ore-forming model for the district. Finding that geochemical fingerprint at this depth on a trend with this much demonstrated strike potential is the geological piece that is in my view very significant. The reason the market shrugged is structural rather than analytical as you can imagine. Cosa already announced the radioactive intercepts from these same holes back in mid-April, which means today's news is the chemical confirmation that the radioactivity actually corresponds to uranium rather than something else. The intercept itself was already priced in to a certain extent. The hole that probably should have been the marquee result, MLN26-016, came in as a thin 1 meter interval directly below the unconformity, sitting 40 metres off-section from the strongest basement faulting and framed by the company as a near-miss of the ideal target. That hole was the swing factor and perhaps the market expected a bit more with the assays on that one, but that's just a theory. The summer program starting in mid-June is another potential catalyst window. Cosa has flagged this will be its largest drill program to date, and the proverbial question is whether they can demonstrate continuity along the 1.2 kilometers of open strike. If they hit comparable grades on multiple sections, I think the equity re-rates meaningfully from here. If the Cyclone trend turns out to be patchy and the marquee intercept was the best the system has to offer, there is not much more to get at here, but we won't know that until we get more drilling done. Let's see what they can deliver as I continue to back the team.

CODEX OIL AND GAS

Valaris - NYSE: VAL - Cost basis: $36.34 - Percentage allocated: 75%

There was no news to report on.

Petrotal Corp - TSE: TAL - Cost basis: C$0.52- Percentage allocated: 100%

There was no news to report on.

CODEX PRECIOUS METALS

AbraSilver - CVE: ABRA - Cost basis: C$0.33 - Percentage allocated: 50%

There was no news to report on.

Andean PM - CVE: APM - Cost basis: C$0.64 - Percentage allocated: 75%

There was no news to report on.

Outcrop Silver - CVE: OCG - Cost basis: C$0.17 - Percentage allocated: 75%

There was no news to report on.

Rio2 - CVE: RIO - Cost basis: C$0.55- Percentage allocated: 50%

There was no news to report on.

Integra Resources - NYSE: ITRG - Cost basis: $0.79 - Percentage allocated: 75%

Integra came out this week with the announcement of three new senior hires, bringing on a Senior VP of Corporate Development, a VP of Human Resources, and a VP of Business Development and Investor Relations. The CEO framed these as the final additions completing the executive leadership team for the next phase of growth, and the resumes are genuinely solid. The new SVP Corporate Development carries deal experience including the $1.8 billion Reservoir Minerals sale to Zijin and the $1 billion Mandalay merger with Alkane, the HR appointment brings nearly two decades of mining experience including a long stint at Capstone Copper, and the new IR head is a returning Integra alumnus who was also on the Integra Gold team that sold the Lamaque mine to Eldorado for C$590 million back in 2017. I don’t work for HR, but those are strong CVs, no question.

CODEX PRECIOUS METALS

Integra Resources - NYSE: ITRG - Cost basis: $0.79 - Percentage allocated: 75%

The catch is that the share price reaction has been muted to negative on a name that has been slipping all spring, and the reason is, drumroll please, operational execution. I covered this before and I will do it again, but it's disappointing to see that Florida Canyon produced 12,635 ounces and sold 12,518 ounces for the quarter, with cash costs at $2,422 per ounce and mine-site AISC at $3,310 per ounce. Full-year 2026 guidance was set at $1,900 to $2,100 per ounce on cash costs and $2,750 to $2,950 per ounce on AISC, so the company blew through the upper end of both ranges by roughly $300 to $360 per ounce in the very first quarter the guidance applied. Management's explanation is fair, with lower ounces sold, higher royalties and excise taxes tied to gold trading well above the $3,800 per ounce planning assumption, and higher diesel costs all flagged, but a miss is a miss and the market has now sat through several quarters in a row where Florida Canyon has produced costs running materially above expectations, with volumes falling short as well.

The longer-term thesis is intact though. Cash sits at roughly $105.8 million after a $57.5 million net bought deal raise, working capital is around $139.7 million, the DeLamar feasibility study delivered a 1.1 million ounce AuEq mine plan with an after-tax NPV5% of $774 million at $3,000 gold rising to $1.9 billion at $4,500, and the strip-now-produce-later mechanic at Florida Canyon should deliver higher ounces in 2027 and 2028 if the waste stripping and infill drilling pay off the way management has modeled it. The proverbial bull case is real and there is genuine value to be unlocked here, but hires do not move ounces or AISC. What needs to follow is a quarter where Florida Canyon actually produces inside guidance ranges, a clean delivery against the H2 2026 updated technical report for the mine, and progress on the DeLamar permitting timeline. Let's see if they can deliver that.

CODEX PRECIOUS METALS

Minera Alamos - CVE: MAI - Cost basis: C$3.50- Percentage allocated: 100%

Minera has been stair stepping its way upwards for several months now as they continue to stablize their gold production platform and get ready to move forward with their excellent pipeline. Well, with the news releases from this week, we can cover exactly that and I remain convinced that they will be one of the main gold producer winners this year.

Let me start with the quarter, since it sets the table for everything else that I would like to touch on and that's a lot, trust me, but I tried to restrain myself to 2 pages. Minera pulled in record revenue of around $39 million, record earnings from mine operations of roughly $19.5 million, net earnings of just under $11 million, and EBITDA of around $15 million, all of it from a single producing asset, the Pan mine in Nevada. They also flipped their reporting currency to US dollars at the start of the year, which makes the comparisons a touch awkward, but the direction of travel is not in any doubt. Total cash costs came in near $1,660 an ounce and all-in sustaining costs near $1,820, both below the bottom end of the company's own full-year guidance, and for a producer breaking in a brand new mining contractor through the period that is a genuinely clean result. The realized price of roughly $4,290 looks soft against spot, and the reason is the proverbial elephant in the room, they were still settling old call options at about $2,100 an ounce, which is the sort of number that is a bit painful to read through when gold is trading north of $4,500.

Now to the part that actually moves the needle (as we are not invested in Minera for just the Pan mine), the pre-feasibility study on Copperstone in Arizona. At a base case gold price of $3,500 the project throws off an after-tax NPV of around $374 million, an internal rate of return of 108%, and payback in just over a year, and if you run it near current spot, call it $4,500, the NPV jumps to roughly $537 million with an IRR above 150% and payback under ten months. That is great by any standard and ironically that covers exactly the current market cap of the company, meaning that if you value them at 1x NPV at $4500 gold, you get the rest for free on paper. The mine plan is modest, and that is rather the point, an initial life of around six years producing some 290,000 ounces, averaging roughly 46,000 ounces a year at all-in costs near $1,300, which is a far fatter margin than Pan earns today. Initial capital is only about $58 million against sustaining capital of roughly $77 million, so the NPV-to-capex ratio sits somewhere between 6 and 9 times depending on which gold price you trust, the project is fully permitted, and the board has already made the formal call to build, with first gold targeted around the middle of next year. Once it ramps, Copperstone more than doubles the company's annual output.

CODEX PRECIOUS METALS

Minera Alamos - CVE: MAI - Cost basis: C$3.50- Percentage allocated: 100%

Now of course it is highly likely that the company will see that AISC grow, as well as the capex number attached to it, but even if it does there is still plenty of value to be unlocked when it comes to this next mine in their pipeline. What I find more telling than the headline economics is what got left out. The maiden reserve is around 303,000 ounces, but the measured and indicated resource sits at roughly 630,000 ounces, more than double the prior estimate, and only about half of it made the mine plan. The study also looked only at underground material and ignored the open pit potential entirely, with a maiden open pit resource due later this year. So this is a six-year mine with a decent shot at being a much longer one. The comparison with last year's study is instructive as well, the capital has climbed from around $36 million to $58 million, but that buys an expansion of the plant from 600 to 1,000 tons a day, and while the headline IRR has come off the eye-watering numbers in the earlier work, that is simply what happens when you move from a scoping study to proper reserves with real dilution and recovery baked in. I will take a credible 108% over an aspirational 171% every day of the week and twice on Sunday.

Which brings me to how they intend to pay for all this stuff. The company closed a $75 million revolving credit facility with two Canadian banks and drew about $45 million of it straightaway to clear the Auramet debt, including a gold prepayment of nearly 8,000 ounces and another 3,000 ounces of forwards locked in around $2,100. Why does that matter so much? Because it hands the company full price exposure on more than 10,000 ounces over the coming year that would otherwise have walked out the door at less than half of spot, and it pushes the debt maturity out to 2029. Management insists Copperstone can be built off existing cash, the headroom on the facility, and Pan's cash flow, with no equity dilution, and they tidied up further by buying back most of a royalty on their Mexican project. The market is not wholly convinced and neither am I, and there is a fair case that funding a new mine, sustaining the old one, and chasing two other growth projects at once leaves the math tight if gold wobbles or Pan stumbles. From what I can tell the no-dilution path is questionable, but I would love to be proven wrong and if gold rises further, they could pull it off. So where does that leave us? A producer carrying a market value that the spot-case Copperstone NPV more or less covers on its own, with a paid-for second mine about to double output, a freshly scrubbed balance sheet, and a resource that looks bigger than the mine plan lets on. The way I see it, the company has done the hard work of de-risking, and the patience is now mostly a question of gold cooperating, which, given everything I have been writing lately, I am inclined to bet on.

CODEX 'OTHER'

Westwater Resources - NYSE: WWR - Cost basis: $0.69 - Percentage allocated: 70%

Westwater dropped its Q1 update earlier this month and while I covered this in the last newsletter as well, it's worth going over again given the frustrating price action. The read here is one of, you guessed it, frustration tempered by the fact that the underlying value proposition, believe it or not, is still there. Let me set the table on the numbers before sharing some of my frustration. Phase 1 of the Kellyton Plant carries a capex estimate of $245 million with roughly $19 million of untouched contingency, and approximately $29.6 million has been invested into the project since inception (the project as a whole has had over $130 million put into the ground when including prior periods). Phase 2 of Kellyton, per the DFS completed early last year, carries a capex estimate of $453 million with 20% contingency, a pre-tax NPV of $1.4 billion at an 8% discount rate, $6.3 billion of cumulative pre-tax cash flows across a 35-year operating life, a 31.8% IRR, and $192.6 million of estimated annual pre-tax cash flow. The Coosa deposit, which is designed to feed Kellyton as the upstream supply piece, carries its own standalone pre-tax NPV of $229 million at 8% and $714 million of pre-tax free cash flow. Add those together and you have over $1.6 billion of pre-tax NPV against a market cap sitting around $80 million.

That asymmetry is the whole reason this name is still worth holding through what has become a deeply frustrating waiting game, even with us fully derisking (and even walking away with a healthy profit) the position during that major spike into the October 14th high last year. Q1 ended with $41.5 million of cash on hand, $71 million still available under the ATM, and approximately $26 million of undrawn committed capital on the ELOC facility. Roughly $50 million is what management says is still needed to complete Phase 1, and that "we are substantially complete with funding" language out of CFO Steve Cates carries some weight against the $245 million total capex once you do the addition. The qualification line is operational and produced over 1 metric ton of aggregate CSPG sample volumes during the quarter, with management framing this as a meaningful differentiator against North American peers who are still several years away from qualification-scale material. The bull case here, but only if they deliver, is that if you are a battery, automotive, industrial, or defense customer looking for anode material in the 2027 to 2029 window, Westwater is functionally the only viable domestic source, full stop. The frustrations are real and worth being honest about though. As I have discussed before, SK On terminated its 2024 product procurement agreement during the quarter, framed by management as a function of the broader uncertainty across the battery supply chain rather than anything specific to Westwater, with both SK On and FCA reportedly wanting to put new agreements in place.

CODEX 'OTHER'

Westwater Resources - NYSE: WWR - Cost basis: $0.69 - Percentage allocated: 70%
That framing may be accurate but losing a named offtake is still a loss, and the customer concentration risk this exposes is the kind of thing that makes the financing conversation harder rather than easier. Coosa picking up FAST-41 designation during the quarter is a positive on the permitting side, with a permitting timeline expected to be established by the participating federal agencies during Q2, but the broader 12 to 24 month permitting window means Coosa as the upstream feedstock piece is still well off in the future. The Phase 1 financing has been the dominant overhang on this name for over a year now, and the January 2025 update that the lead lender had given final investment committee approval but that syndication was being delayed is the kind of news that, fourteen months later, has translated into precisely zero closure. Yeah, the frustration is warranted.

The way I listened to the current management commentary on the conference call, the focus has clearly pivoted from commercial bank syndication toward government funding pathways. Management said it has engaged a tier 1 group of advisors and is spending quality time in DC, has submitted proposals and applications, established data rooms for diligence, and believes it sits in the middle of the domestic critical mineral fairway that the administration has been emphasizing. That is the right pivot in the current policy environment but it is also a fundamentally different financing pathway, and government program timelines do not typically run faster than commercial bank diligence. The "move at the speed of cash" language out of Cates is honest but it also means construction tempo is being throttled to match available capital, which is the polite way of saying the project is being paced to avoid running out of money before financing closes.

So where does that leave us? An asymmetric value setup with over $1.6 billion of identified pre-tax NPV across Kellyton Phases 1 and 2 plus Coosa, against a market cap a hair above 5% of that figure. A pre-production industrial company that has built the buildings, has equipment partially installed, has a qualification line running in 1-ton batches and shipping samples to multiple customers, and could receive government support. Set against that, a financing process that has been "weeks away" for the better part of like 18 months, a recently terminated offtake, and a share price reflecting that fatigue. I am holding the name for the same reason I held it all this time (even when taking profits), which is that the asymmetric setup remains intact, but financing is needed. The patience required is now measured in quarters rather than weeks, and the back half of 2026 needs to deliver something more concrete than another round of "actively engaging".

CODEX 'OTHER'

Aldebaran Resources - CVE: ALDE - Cost basis: C$0.79 - Percentage allocated 80%

Moving onto my core copper holding and Aldebaran reported assays from seven infill holes at the Altar asset and on the surface the numbers look genuinely impressive, even for a rookie geologist such as myself. The marquee intercept is ALD-26-173EXT at 1,339.30 metres averaging 0.45% copper equivalent from just 12 metres depth, with a higher-grade core of 500 metres at 0.71% copper equivalent and two narrower zones running close to 1% copper equivalent inside that. The other six holes returned long mineralized intervals at moderate grades, including 1,059.20 metres at 0.51% copper equivalent, 1,198 metres at 0.43% copper equivalent, and 826.10 metres at 0.54% copper equivalent. These are big numbers in absolute terms and would be career-making intercepts almost anywhere else in the world.

That statement needs a bit of context, as the catch is the deposit type. Altar is a porphyry copper-gold system, and porphyries are graded on different criteria than the high-grade sandstone uranium or epithermal gold targets that get most of the airtime in junior mining. The world-class porphyries Altar sits next to in the central Andean belt, including Los Pelambres at Antofagasta, El Pachón at Glencore, and Los Azules at McEwen Copper, all run in the 0.4% to 0.6% copper equivalent range over enormous tonnage. So an infill hole returning 0.45% copper equivalent over 1.3 kilometers at Altar is not telling you about grade discovery only, it should also be telling you something about continuity. The headline-grabbing 500 meter interval at 0.71% copper equivalent is meaningful because it shows the higher-grade core of the system holding up at depth, but the company is not trying to find a high-grade pocket and if that's what you think they are doing, you have not been paying attention. It is trying to demonstrate that the bulk tonnage is continuous, predictable, and upgradeable from inferred to indicated and measured categories.

That distinction is pretty important because of where Altar sits in its development cycle. The 2024 mineral resource estimate already pegged the deposit at 2.40 billion tonnes grading 0.42% copper in the measured and indicated categories, containing roughly 22 billion pounds of copper plus 5 million ounces of gold and 94 million ounces of silver, with another 1.22 billion tonnes in inferred. The PEA dropped last October and the pre-feasibility study is now targeted for Q2 or Q3 of 2027. The company has flagged that more than 40,000 metres of additional drilling has been completed since that 2024 resource and an updated resource is coming in Q3 of this year. Today's holes feed directly into that update and more tonnage means more value.

CODEX 'OTHER'

Aldebaran Resources - CVE: ALDE - Cost basis: C$0.79 - Percentage allocated 80%
The geological read for my amateur eyes is that the system is delivering exactly what an infill program is supposed to deliver, with reasonable continuity, predictable copper-gold-silver ratios, and several holes ending in mineralization which suggests there is more system to find at depth. That last point is also interesting because porphyries often get bigger before they get smaller, and a deposit ending in grade is a deposit that builds tonnage when you chase it down, at least that is what the company (and me as a shareholder) is hoping for.

Why the share price has not exactly ripped on the news, because that is a question I often get and this time is no different, is the usual problem with infill drilling. The market already knows Altar is a massive bulk-tonnage porphyry sitting in a tier-one copper district, so the question is not whether it exists, the question is how big is it and who will be willing to pay a premium to secure a multi-decade asset for their pipeline? For that reason, the Q3 resource update and the 2027 PFS are the real value-unlocking events, and today's holes are an incremental positive that moves them closer and closer.

ASP Isotopes - Nasdaq: ASPI - Cost basis: $3.84 - Percentage allocated: 100%
A sign of life from ASPI? In this economy? Perhaps, as the headline from the latest release is that ASPI has successfully restarted the first 18 stages of its Silicon-28 enrichment facility in Pretoria, with the upgraded segments running at target enrichment levels for over three weeks, and the company is now guiding to initial commercial shipments of enriched Silicon-28 in Q3 2026. The market sent the stock up roughly 25% on the day on triple the daily average volume, which tells me some investors and momentum money treated this as a corner being turned. I am less convinced, and I want to walk through why the announcement deserves engagement and also why I am not popping the champagne. When it comes to ASPI, there is still a lot to be skeptical about, not the least of which being the HALEU side of the business (and as an extension that puts their Yb proposed production at risk as well) that may or may not work as planned and that is not even mentioning all the missed deadlines over the past few years. Still though, I am not here to rain on the upward price movement parade and there are some positives to take from the Si-28 news and the company's visit to Taiwin, so let's dive in.

CODEX 'OTHER'

ASP Isotopes - Nasdaq: ASPI - Cost basis: $3.84 - Percentage allocated: 100%

For a little backstory, the company shipped its first Silicon-28 samples to a US customer roughly nine months ago, and independent third-party analysis confirmed that enrichment levels tracked in line with theoretical calculations, which means the core proprietary ASP separation technology was not the bottleneck. The problem was elsewhere. Following customer site visits in the back half of last year, management concluded that a meaningful number of non-core components supplied by OEM vendors, specifically valves, compressors, and piping, did not operate to the specifications those vendors had provided. The past nine months have been spent re-engineering those peripheral systems across the first 18 stages, and the company now believes it has an optimized design that can be replicated across the remaining stages. So the bull case framing is that this is a peripheral engineering fix on a working core process rather than a fundamental technology problem, and that framing is defensible based on the facts available.

The bear case is the timeline history, which is still genuinely difficult to look past. The original commercial Silicon-28 shipment guidance was the second quarter of 2025, given when the facility was first announced to have started commercial production. That slipped to the first half of 2025, then the second half, then the company shipped non-commercial samples in the back half of 2025 and guided to first-half 2026 commercial shipments, then to mid-2026, then to the second half of 2026, and the latest guidance is Q3 2026. That is at least six revisions to the same milestone over roughly 18 months. The kicker is that the Q1 earnings call held only six days before this latest release was still pointing to mid-year commercial shipments, and the new release moved that to Q3 without flagging it as a change. ASP 'next quarter' Isotopes strikes again. The company also confirmed in its Q1 10-Q that it had not generated any revenue from enriched isotope sales as of the end of the first quarter, despite having announced commercial production back in early 2025. Total Q1 revenue of around $4.2 million came almost entirely from the radiopharmacy business, with the enrichment platform still contributing nothing to the top line.

What saves the story a bit for now and could instill some patience at least is the balance sheet. ASPI ended Q1 with roughly $207 million in cash and another $83 million in short-term investments, putting total liquidity at nearly $290 million against a quarterly continuing-operations loss of around $27 million.

CODEX 'OTHER'

ASP Isotopes - Nasdaq: ASPI - Cost basis: $3.84 - Percentage allocated: 100%

That gives the company a bit of runway to actually deliver commercial Silicon-28 shipments without going back to the equity market, and a forced raise into a missed milestone would be painful to say the least. The radiopharmacy business is also doing actual work, with management targeting $10 million or more in 2026 revenue versus the roughly $5.7 million reported for 2025, and the Renergen helium acquisition layers in another optionality piece that should reach Phase 1 nameplate capacity later this year. The combination of Silicon-28 and helium could also land them potentially new customers and part of the reason for the reason run-up, at least in my opinion, was the company sending several senior management members to Taiwan to discuss potential contracts as they are looking to add chipmakers to their customer base. If that is achieved, it would be positive.

Who is ready for some pub-quiz knowledge you will never use unless the pub-quiz is taking place in a university lab? Natural silicon is a mix of three stable isotopes and when you build a qubit on natural silicon, the Si-29 atoms sitting in the lattice next door act like a constantly chattering magnetic background, dragging the qubit out of its quantum state and destroying the information stored on it before any useful computation can happen. The fix is to strip the Si-29 out by pushing isotopic purity above 99.99% Si-28, ideally to 99.995% or better, at which point qubits built on the material can hold their coherence in the neighborhood of a thousand times longer than on the natural isotopic mix. That extra coherence is the proverbial difference between a quantum processor that is a science experiment and one that can actually run a useful algorithm. There is also a less well known but commercially meaningful side benefit for conventional semiconductors. Pure Si-28 conducts heat roughly 50% better than natural silicon, which translates into smaller, faster, and cooler chips at a time when thermal dissipation has become the binding constraint on next-generation logic and AI accelerator design. ASPI produces the material at its second ASP facility in Pretoria using its proprietary Aerodynamic Separation Process. The plant feeds silane gas (SiH_4, with a molecular mass of 32) through a long cascade of stages, with each stage progressively concentrating the Si-28 fraction, and the facility itself organized into segments of multiple stages that operate under an IAEA Comprehensive Safeguard Agreement. The technical claim that matters here is the feedstock choice. Most competing approaches enrich silicon tetrafluoride or various halosilanes (really hope I am spelling that right), both of which then have to be chemically converted before a semiconductor company can actually use the material, and every conversion step is another opportunity to introduce contamination into the final product.

CODEX 'OTHER'

ASP Isotopes - Nasdaq: ASPI - Cost basis: $3.84 - Percentage allocated: 100%

ASPI processes silane directly, which they argue lets them deliver fab-ready material without that intermediate conversion risk and is the entire basis for their differentiation pitch against Silex and other enrichment approaches.

On Silicon-28 market itself, the market sizing is really hard to put my finger on without making various assumptions, but let me try anyway. Publicly reported Western enrichment capacity for high-purity Silicon-28 sits at roughly 70 kilograms per year combined when you add ASPI's nameplate of more than 50 kilograms at 99.995% to Silex's Q-Si target of around 20 kilograms at Lucas Heights, with broader global capacity outside the named Western projects difficult to verify against any primary source and trust me, I tried. Pricing has been reported by industry observers in the range of $10,000 to $50,000 per kilogram depending on volume and specification, though there is again no published reference price the way there is for SWU in conventional enrichment for example, and transactions appear to clear bilaterally and confidentially. Taken together, the implied current addressable market sits in the low tens of millions of dollars per year, which is small in absolute terms regardless of how you slice the individual inputs.

At midpoint observer pricing, ASPI's full nameplate run rate works out to something roughly in line with a couple of million dollars per year of revenue, at least on paper that is. The bull case requires silicon spin quantum computing to scale into actual manufacturing, in which case independent commentary suggests the enriched Silicon-28 market could grow by one to two orders of magnitude over the back half of the decade. The catch is that silicon spin needs to win out over competing qubit architectures, the volume scaling needs to work at fab-grade purity, and ASPI needs to hold its claimed position as the leading Western commercial supplier rather than getting paced or leapfrogged by Silex, which has an offtake partner in place and a roughly 2027 startup window.

My read is that this restart is the first concrete operational progress in roughly a year and it is positive on the margin, but I am not paying up for a major move on an engineering milestone and some speculation regarding a potential contract out of Taiwain (which would be positive, don't get me wrong). The right inflection to watch is the commercial Si-28 revenue actually hitting the income statement, because that is the point at which the company has done the thing it has been promising to do for going on two years.

CODEX 'OTHER'

Comstock - NYSE: LODE - Cost basis: $2.36 - Percentage allocated: 100%

The company conducted an extensive live call and organized an investor tour around their facilities and land assets. I followed it all closely, but there was a lot to go through and will be spending the weekend analyzing all the existing and new information and data, as well as comments and pictures from those who attended where available. I plan to have an extensive report available for you all on Monday, so stay tuned for that.

LibertyStream - CVE: LIB - Cost basis: $0.45 - Percentage allocated: 100%

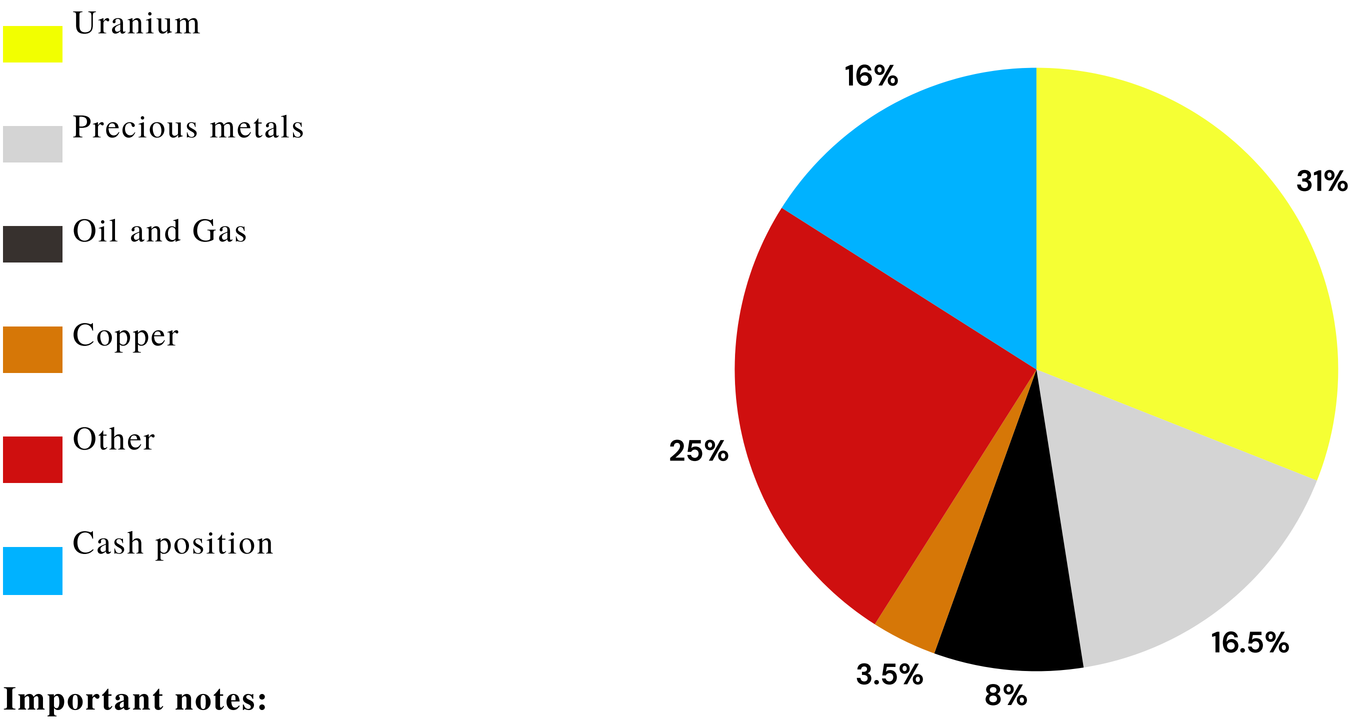
After a consolidation/correction phase over the past few months and adding more stock to an already overweight position in the mid C$0.80s area, the stock is now up over 50% from the recent lows as they start to deliver on their goals. There was not anything new to cover beyond what I have already covered, so what gives with the recent price action? Well, there has been speculation regarding a potential offtake agreement being close (although I will say that this speculation has been there before, in some way, shape or form), which would be very positive for the company depdening on the terms involved. Besides that, there seems to be a growing attention to the art of extracting lithium from oil brine and a popular article regarding exactly that subject was shared on a big oil related platform earlier this week, which likely sparked further attention. Whatever the near term volatility may bring though, be that upwards or downwards, I am happy to hold an overweight position through all of it as the companies continues to deliver the goods.

Merlin Labs - NASDAQ: MRLN - Cost basis $6.03 - Percentage allocated: 75%

Everyone please welcome Merlin Labs to the portfolio as the first equity not related to commodities. One could argue that was ASPI, but with its ties to the nuclear fuel cycle and helium assets, it looks like Merlin is the only one. The full deep dive published earlier this week covers the thesis in detail, so I am not going to repeat all of it here, but I do want to lay out why this earned a spot and what I am watching going forward. The catalyst calendar is what makes this worth covering on a recurring basis. C-130J Critical Design Review is expected in the second half of this year. Q2 earnings should be interesting. Additional sell-side coverage is likely coming. NZ CAA SOI-3 certification progress and KC-135 program expansion are both on the horizon. There are aslo absolutely risks involved for this new post-SPAC entity, so please keep that in mind as I extensively covered those in the seperate analysis piece. My numbers from the deep dive real quick: Bear case roughly $16 (or $0 if they don't deliver anything, which is always possible), Base case roughly $77, Bull case roughly $216. Always do your own due diligence.

CODEX PORTFOLIO ALLOCATION

Total portfolio allocation per sector



Important notes:

- ‘Percentage allocated’ points to how much room I am leaving to add to any particular position. This could be either due to the position already being de-risked, waiting on specific catalysts to materialize, not having gotten another buy opportunity yet etc
- Just because a position is still underweight or not fully positioned, does not mean I don't have conviction in the company, as per the point above. Please keep in mind that the allocations include more than just the portfolio holdings themselves, which can shift depending on buying and sales and I try to reflect my personal portfolio as well. It's not a perfect calculation, rather just an overview to reflect the allocation generally.

Priority for the coming months:

- We raised a bit more cash following the sale of F3 Uranium and Guanajuato Silver, with both locking in solid profits of 36% and 220% respectively. Merlin was added.
- The PHYS reserves will be kept in place as I believe that over the longer term, despite the recent volatility, the gold price will be going a lot higher over the coming years.

That marks the end of this week's newsletter and I hope that it proved to be informative. I have a very insightful interview coming up with the always brilliant Uzo Capital to discuss some very interesting names, both those part of the portfolio and some new names as well if we have the time. Stay tuned for that and in the meantime I hope that you have a good and healthy rest of your day and weekend, cheers! ~Mart

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