

16th January 2019



Yellow Cake plc (“Yellow Cake” or the “Company”)

QUARTERLY OPERATING UPDATE – NAV increased to £2.53 per share

Yellow Cake, a specialist company operating in the uranium sector with a view to holding physical uranium for the long term, is pleased to report its performance for the quarter ended 31st December 2018.

Highlights

- Steady improvement in the market fundamentals for U_3O_8 , with the spot market price increasing by 25% from US\$22.85 /lb¹ to US\$28.50 /lb² since IPO on 5th July 2018
- Value of underlying physical uranium (“ U_3O_8 ”) held by Yellow Cake increased by 35% to US\$240.6 mm relative to acquisition cost of US\$178.2 mm
- Total Yellow Cake holding of uranium of 8.44 million lb, acquired at an average cost of US\$21.10 /lb against a current spot price of \$28.50 /lb²
- Net Asset Value increased by 27% to £2.53 /share relative to IPO price of £2.00 per share
- Long term outlook for uranium remains positive, supported by supply and demand fundamentals

Uranium market developments and outlook

The global spot uranium market continued to strengthen during the fourth quarter of 2018, which was a record-setting year despite the price increase trend moderating as demand weakened heading into the traditional holiday period. This led to a slight softening of the price towards year end, which still ended the year at US\$28.50/lb U_3O_8 ² – an increase of 25% since the Company’s IPO.

During the quarter, India officially announced nuclear power expansion plans which would bring an additional 21 reactors into operation by 2031. This would increase installed nuclear capacity from the current 6.2 Gwe up to as much as 22.5 Gwe over the next 12 years in India alone. The Department of Atomic Energy advised the National Parliament of its plans to

¹ Weekly spot price published by Ux Consulting Company, LLC on 9th July 2018

² Month-end spot price published by Ux Consulting Company, LLC on 31st December 2018.

implement a Strategic Uranium Reserve of 15,000 tonnes of uranium to underpin the security of the country's commercial nuclear power program.

President Emmanuel Macron of France clarified that the target date to decrease France's nuclear dependency for electricity from the current level of almost 75%, down to 50%, would be extended from 2025 to 2035.

Taiwan's current nuclear phase-out programme, which was set to close all reactors by 2025, was voted down in a public referendum on 24th November 2018. The national government is now undertaking a comprehensive energy policy review.

On the uranium production front, no further production cut-backs were announced during the quarter. However, production industry consolidation continued as Rio Tinto announced a binding agreement to sell its 68.62% controlling interest in the Rossing Uranium Mine (Republic of Namibia) to China National Uranium Corporation. This transaction is expected to be completed during the first half of 2019.

Looking ahead to the first quarter of 2019, there is a general industry expectation that ongoing spot market purchases by nuclear utilities, uranium producers (principally Cameco Corporation), trading companies and financial entities will result in further price strengthening. However, periods of market price volatility may arise depending upon the demand/supply balance at any point in time.

Net Asset Value

Yellow Cake's estimated Net Asset Value at 31st December 2018 was £2.53 per share ⁽¹⁾ or US\$246.6 mm, consisting of 8,441,385 lbs of U₃O₈ valued at a spot price of US\$28.50 /lb ⁽²⁾ , a derivative financial liability of US\$3.0 mm and other net assets ⁽³⁾ of US\$9.0 mm.

As at close on 15th January 2019, the Company's share price was £2.21 per share, which represents a 12.9% discount to the above estimated net asset value of £2.53 per share.

The next uranium purchase option, through the agreement with Kazatomprom, became available to Yellow Cake on 1st January. The Board will continue to consider all options available to it and act in the best interests of its shareholders, with a view to narrowing the continued discount to Net Asset Value.

(1) Net asset value per share is calculated assuming 76,176,630 ordinary shares in issue and the Bank of England's daily exchange rate of 1.2769 on 31st December 2018.

(2) Month-end spot price published by Ux Consulting Company, LLC on 31st December 2018.

(3) Includes cash and cash equivalents of US\$9.2 mm.

Andre Liebenberg, CEO of Yellow Cake, said:

"It has been encouraging to see the uranium spot price continue to rise since our IPO, with the spot price hitting a three-year high in late November. Yellow Cake's performance has been solid, with NAV up 5.9% over the quarter. We look to the future with optimism as countries around the world implement new uranium programmes and extend the lifecycle of existing projects. Our investment thesis remains sound and we are confident in the long-term outlook for the uranium price."

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ABOUT YELLOW CAKE

Yellow Cake is a London-listed company, headquartered in Jersey which offers pure exposure to the uranium spot price. This is achieved through its strategy to buy and hold physical uranium in storage in North America. It may also seek to add value through the acquisition of uranium royalties and streams. Yellow Cake seeks to generate returns to shareholders through the appreciation of the value of its holding in a rising uranium price environment. The business is differentiated from its peer through a materially lower cost base and an agreement to access supply from Kazatomprom, the world's biggest uranium producer. Yellow Cake currently holds 8.44 mm lb of uranium.

FORWARD LOOKING STATEMENTS

Certain statements contained herein are forward looking statements and are based on current expectations, estimates and projections about the potential returns of the Company and the industry and markets in which the Company will operate, the Directors' beliefs and assumptions made by the Directors. Words such as "expects", "anticipates", "should", "intends", "plans", "believes", "seeks", "estimates", "projects", "pipeline", "aims", "may", "targets", "would", "could" and variations of such words and similar expressions are intended to identify such forward looking statements and expectations. These statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties and assumptions that are difficult to predict, qualify or quantify. Therefore, actual outcomes and results may differ materially from what is expressed in such forward looking statements or expectations. Among the factors that could cause actual results to differ materially are: uranium price volatility, difficulty in sourcing opportunities to buy or sell U₃O₈, foreign exchange rates, changes in political and economic conditions, competition from other energy sources, nuclear accident, loss of key personnel or termination of the

services agreement with 308 Services Limited, changes in the legal or regulatory environment, insolvency of counterparties to the Company's material contracts or breach of such material contracts by such counterparties. These forward-looking statements speak only as at the date of this announcement. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.