

3<sup>rd</sup> June 2019



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

### **Purchase of Additional Uranium**

Yellow Cake, a specialist company operating in the uranium sector with a view to holding physical uranium (“U<sub>3</sub>O<sub>8</sub>”) for the long term, is pleased to announce that it has taken delivery of 1.175 million lbs of uranium from NAC Kazatomprom JSC (“Kazatomprom”).

On 12<sup>th</sup> April 2019, Yellow Cake exercised its option under the Kazatomprom framework agreement to acquire 1.175 million lbs of uranium from Kazatomprom at a price of US\$25.88 /lb. On 31<sup>st</sup> May 2019, the U<sub>3</sub>O<sub>8</sub> was delivered and transferred to Yellow Cake at Cameco Corporation’s Port Hope / Blind River facility in Ontario, Canada, where the material will be held in storage.

The total cost of this U<sub>3</sub>O<sub>8</sub> purchase amounts to US\$30,409,000 and will be settled from the Company’s cash balances.

Following completion of this transaction, Yellow Cake owns c.9.62 million lbs of uranium. The average acquisition cost of the Company’s uranium holding is \$21.68/ lb, with an aggregate acquisition cost of US\$208.5 million.

Including this purchase, Yellow Cake’s estimated net asset value at 30<sup>th</sup> April 2019 (on a pro-forma basis) was £2.17 per share or US\$249.4 million <sup>(1)</sup>, consisting of 9,616,385 lbs of U<sub>3</sub>O<sub>8</sub> valued at a spot price of US\$25.25 /lb <sup>(2)</sup>, a derivative liability of US\$2.8 million <sup>(3)</sup> and other net assets of US\$9.4 million <sup>(4)</sup>.

As at close on 31<sup>st</sup> May 2019, the Company’s share price was £2.10 per share, which represents a 3.2% discount to the above estimated pro-forma net asset value of £2.17 per share.

(1) Net asset value per share is calculated assuming 88,215,716 ordinary shares in issue and the Bank of England’s daily exchange rate of 1.3036 on 30 April 2019.

(2) Fair values are based on the month-end spot price published by UxC LLC, as at 29<sup>th</sup> April 2019.

(3) Estimated current value of the Kazatomprom repurchase option under the framework agreement, which is a potential liability of US\$6.5 million and may only be exercised if the spot U<sub>3</sub>O<sub>8</sub> price exceeds US\$37.50 /lb for a period of 14 days during the period between 4 July 2021 and 30 June 2027.

(4) Includes cash and cash equivalents of US\$10.8 mm after purchase of 1.175 million lb of uranium.

**Andre Liebenberg, CEO of Yellow Cake, said:**

"We are pleased to complete the purchase of additional uranium from Kazatomprom, in line with the strategy we set out at the time of our IPO, to buy and hold physical uranium and benefit from the clear long-term fundamentals of the commodity. We continue to expect that we will see a steady and sustained rise in the price of uranium, despite near-term uncertainty which has resulted in some end users delaying major purchasing decisions. Our confidence in our model and the long-term outlook is unchanged."

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) no 596/2014

**ENQUIRIES:**

**Yellow Cake plc**

Andre Liebenberg, CEO  
Tel: +44 (0) 153 488 5200

Carole Whittall, CFO

**Nominated Adviser and Joint Broker: Numis Securities Limited**

John Prior  
James Black  
Tel: +44 (0) 207 260 1000

Matthew Hasson  
Paul Gillam

**Joint Broker: Berenberg**

Matthew Armitt  
Tel: +44 (0) 203 207 7800

Detlir Elezi

**Financial Adviser: Bacchus Capital Advisers**

Peter Bacchus  
Tel: +44 (0) 203 848 1640

Richard Allan

**Investor Relations: Powerscourt**

Peter Ogden  
Tel: +44 (0) 779 3 85 8211

Niall Walsh

## **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  $U_3O_8$ , 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.