



PURE EXPOSURE TO THE
URANIUM COMMODITY

INVESTOR PRESENTATION

December

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Uranium market update

November 2020

- UxC reported an end-of-month U_3O_8 price of US\$29.45 /lb, for November a decrease of \$0.05 /lb. compared to October
- Spot market volume for November 2020 also slipped totalling 3.1 Mlbs. U_3O_8 , the lowest monthly quantity for the year
- Year to date spot market volume now stands at 87.6 Mlbs. U_3O_8 , slightly below the 2018 (full year) record level
- Spot market purchases by utilities, especially in the US, have increased subsequent to the finalisation of the amendment to the Russian Suspension Agreement in early October 2020
- On 17 November 2020, the US Congress tabled bipartisan legislation aimed at supporting the nation's nuclear infrastructure. The proposed "*American Nuclear Infrastructure Act of 2020*", provides that a national strategic uranium reserve be funded and a carbon emissions avoidance programme be established to support continued operation of reactors at risk of premature shutdown
- On 18 November 2020, the United Kingdom published an energy policy paper entitled "*Ten Point Plan for a Green Industrial Revolution*," which incorporated an Advanced Nuclear Fund. The goal of the fund is to provide financial support for small modular reactor development and advanced modular reactors
- The incoming Biden Administration has proposed a sweeping clean energy plan including funding for advanced nuclear reactors and small modular reactors

Uranium market update

November 2020

- In its Operational Review for the quarter ending 30 September 2020 (20 October), BHP announced that subsequent to an underground drilling program associated with the Olympic Dam Brownfield Expansion (BFX), near-term expansion would not be pursued. Under the BFX, increased uranium output of up to 3.0-3.5 Mlbs. U_3O_8 from Olympic Dam had been anticipated by mid-decade
- During the month, both Cameco (Cigar Lake) and Kazatomprom (JV Semizbai-U LLP) reported cases of COVID-19 at their uranium production facilities
- In both cases, the companies have isolated the affected employees and pledged to closely monitor the situation and adhere to all governmental directives regarding the virus



Estimated net asset value

On 4 December 2020, the ordinary shares of Yellow Cake closed on the LSE at a price of GBP2.09 per share, which represents a 16% discount to net asset value of GBP2.47 per share

Investment in Uranium		Units	
Uranium oxide in concentrates (“U ₃ O ₈ ”)	(A)	lb	9,316,385
U ₃ O ₈ fair value per pound ⁽¹⁾	(B)	US\$/lb	29.80
U ₃ O ₈ fair value	(A) x (B) = (C)	US\$ m	277.6
Uranium derivative liability as at 30 Sep 2020	(D)	US\$ m	(3.1)
Cash and other net current assets/(liabilities) as at 30 Sep 2020	(E)	US\$ m	5.90
Cash utilised for share purchases since 30 Sep 2020	(F)	US\$ m	(0.8)
Net asset value in US\$ m	(C) + (D) + (E) + (F) = (G)	US\$ m	279.3
Exchange Rate	(H)	USD/GBP	1.3438
Net asset value in £ m	(G) / (H) = (I)	£ m	207.9
Number of shares in issue less shares held in treasury	(J)		84,059,331
Net asset value per share	(I) / (J)	£/share	2.47

Source:

(1) Fair value is based on the Broker Average Price published by UxC, LLC on 4 December 2020

Investment case for Yellow Cake

Industry context

Steady uranium demand growth from nuclear reactor build programme

Additional supply risks due to COVID-19

Sustained low uranium prices have led to supply cuts

Restricted investment into new supply sources

Investment highlights

Holdings of physical U_3O_8

No operating risks

Low cost structure

Access to US\$100m p.a. of uranium at the spot price



The nuclear fuel value chain

Mining

- Mining methods:
 - In-situ leaching
 - Open pit and underground mining
- Mines produce uranium oxide concentrate U_3O_8



Conversion

- Physical U_3O_8 converted from powder form into natural uranium hexafluoride gas (UF_6)
- Commercial conversion plants located in USA, Canada, France, Russia and China



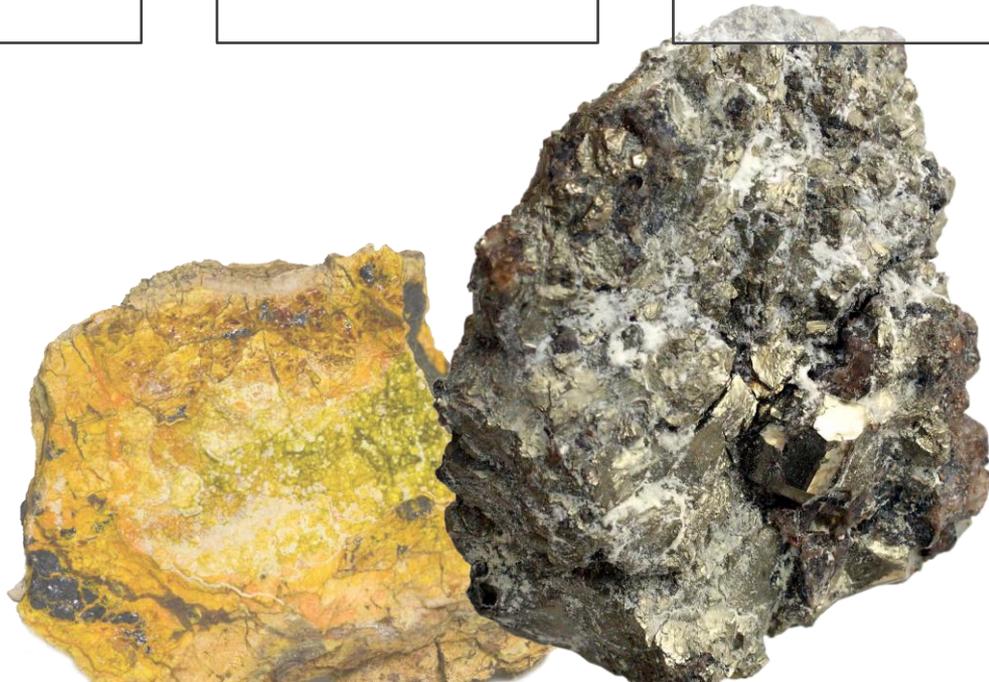
Enrichment

- Commercial process for enrichment involves gaseous uranium (UF_6) in centrifuges
- Uranium-235 isotope is raised from the natural level of 0.7% to about 3.5% to 5%

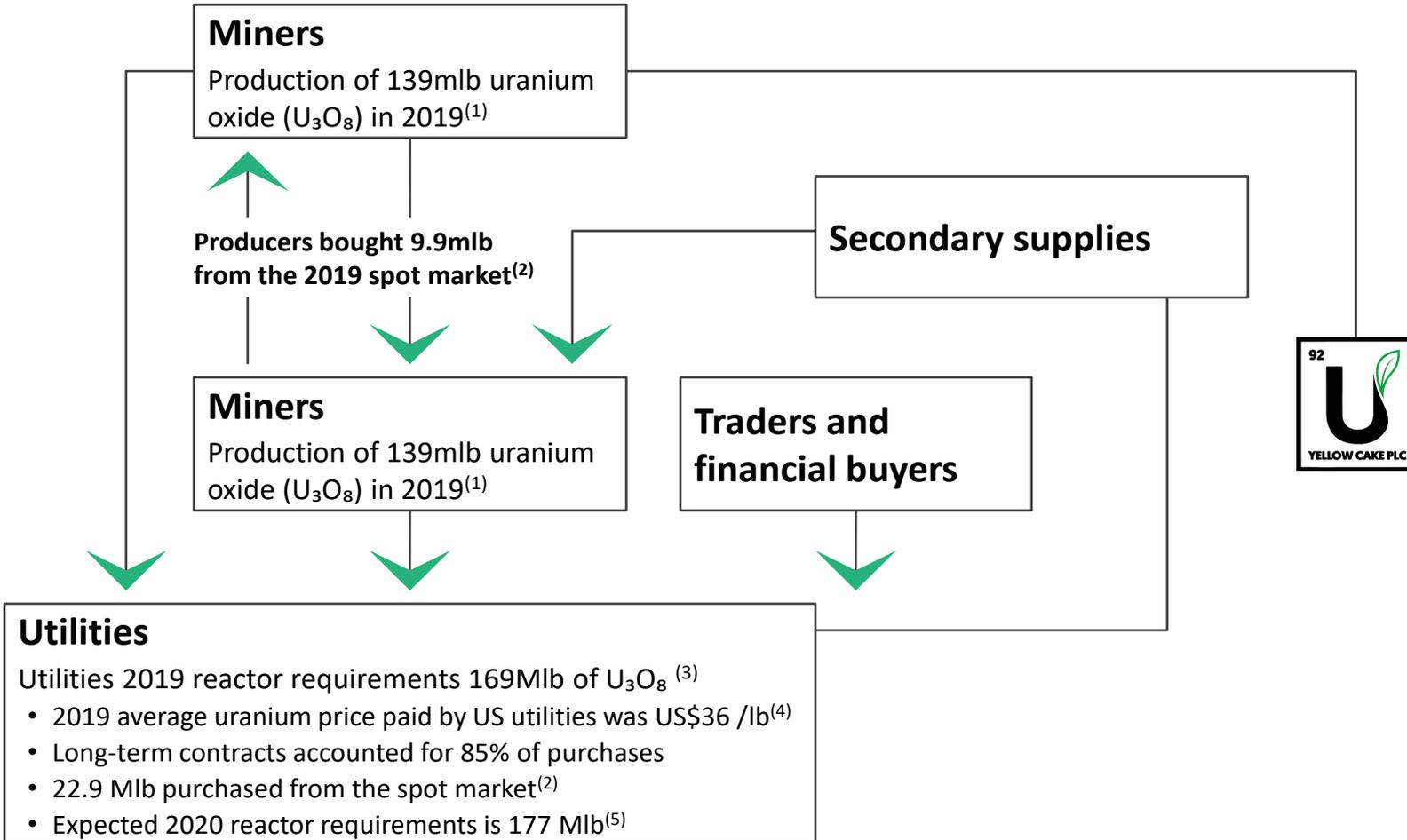


Fuel Fabrication

- Enriched UF_6 is converted to uranium dioxide powder which is fabricated into fuel rods and then fuel rod bundles
- Fuel bundles are placed into nuclear reactors owned by utility companies



The uranium market



Source

(1) UxC LLC - 2019 U₃O₈ Production Review, May 2020

(2) UxC LLC - 2019 Uranium Spot Market Review, February 2020

(3) World Nuclear Association, World Nuclear Power Reactors & Uranium Requirements (August 2019)

(4) US Energy Information Administration 2019 Uranium Marketing Annual Report (May 2020)

(5) World Nuclear Association, World Nuclear Power Reactors & Uranium Requirements (July 2020)

Yellow Cake

Key contracts provide strategic advantage



308 Services

308 Services Ltd

- A uranium specialist company focused on the uranium commodity market
- 308 Services brings significant uranium expertise and market knowledge and supports Yellow Cake in procurement and other uranium transactions



Kazatomprom Framework Agreement

Kazatomprom

- The world's largest and lowest cost producer⁽¹⁾
- 10-year Framework Agreement gives the Company the right to purchase up to US\$100m of U₃O₈ each year from 2019 to 2027
- Purchase price based on the spot price
- The Company can also source uranium from any other producers if advantageous



Cameco Storage Contract

Cameco – Blind River, Canada

- World's second largest uranium producer⁽¹⁾
- Yellow Cake holds 8.72mlb of U₃O₈ in a storage account at a regulated facility operated by Cameco at Port Hope/Blind River in Ontario, Canada
- Storage rates have been negotiated to achieve significant cost savings and support the Company's low cost operating structure



Orano Storage Contract

Orano – Malvési and Tricastin

- In 2020, 600,000lb of U₃O₈ was transferred into a storage account at Orano Cycle's Malvési/Tricastin storage facility in France under location swap agreements
- The Company enters into transactions such as location swaps from time to time, when this is commercially advantageous

Yellow Cake operating history

Strategy

To buy and hold physical uranium and to deliver maximum exposure to expected resurgence in the uranium market



IPO: July 2018
 Raised US\$200m
 Purchased 8.1mlb U₃O₈
 at US\$21.01 /lb

August 2018
 Purchased 350klb U₃O₈
 at US\$23.30 /lb

April 2019
 Raised US\$33.9m

June 2019
 Purchased 1.175mlb U₃O₈
 at US\$25.88 /lb

January 2020
 Yellow Cake announces
 share buyback programme

July 2020
 Yellow Cake sells 300klb U₃O₈
 for US\$33.20/ lb
 Announces larger US\$10m
 share buyback programme
 Yellow Cake earns US\$1m
 for location swap

Current total holding of U₃O₈
 – 9.32mlb acquired at an average price of US\$21.71 /lb



Yellow Cake corporate summary

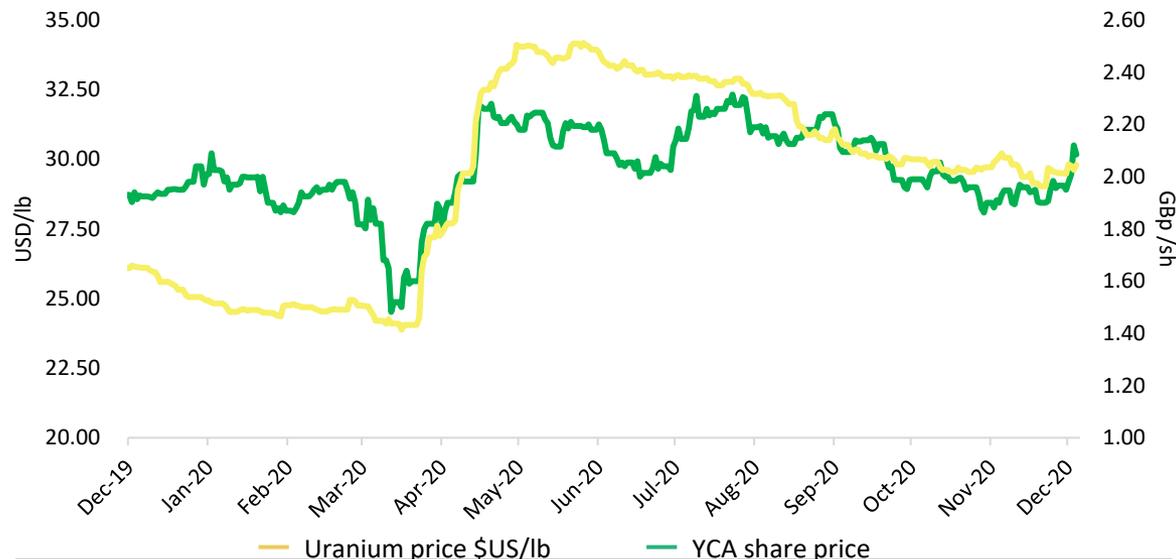
Corporate overview

Last share price ⁽¹⁾	£2.09
NAV per share ⁽²⁾	£2.47
Market cap (m) ⁽¹⁾	£175
Shares out. (m)	88.2
Shares held in treasury (m) ⁽¹⁾	4.2
52 week high	£2.35
52 week low	£1.36

Analyst coverage and rating

	Buy
	Buy
	Buy
	Buy

GBP share price and uranium price⁽³⁾



Blue chip shareholder registry



Source:

(1) As at 4 December 2020

(2) Yellow Cake's estimated net asset value on 4 December 2020 was £2.47 per share. See calculation on page 4

(3) UxC LLC & Cap IQ



Uranium market overview

Nuclear is a key element of global energy supply



Lowest non-carbon operating cost per mWh⁽¹⁾

One of the lowest sources of carbon emissions per mWh

Nuclear energy provides reliable base load power

Nuclear energy is sustainable

Nuclear is increasingly being recognised as a contributor to a low carbon future

Growing interest in Small Modular Reactors

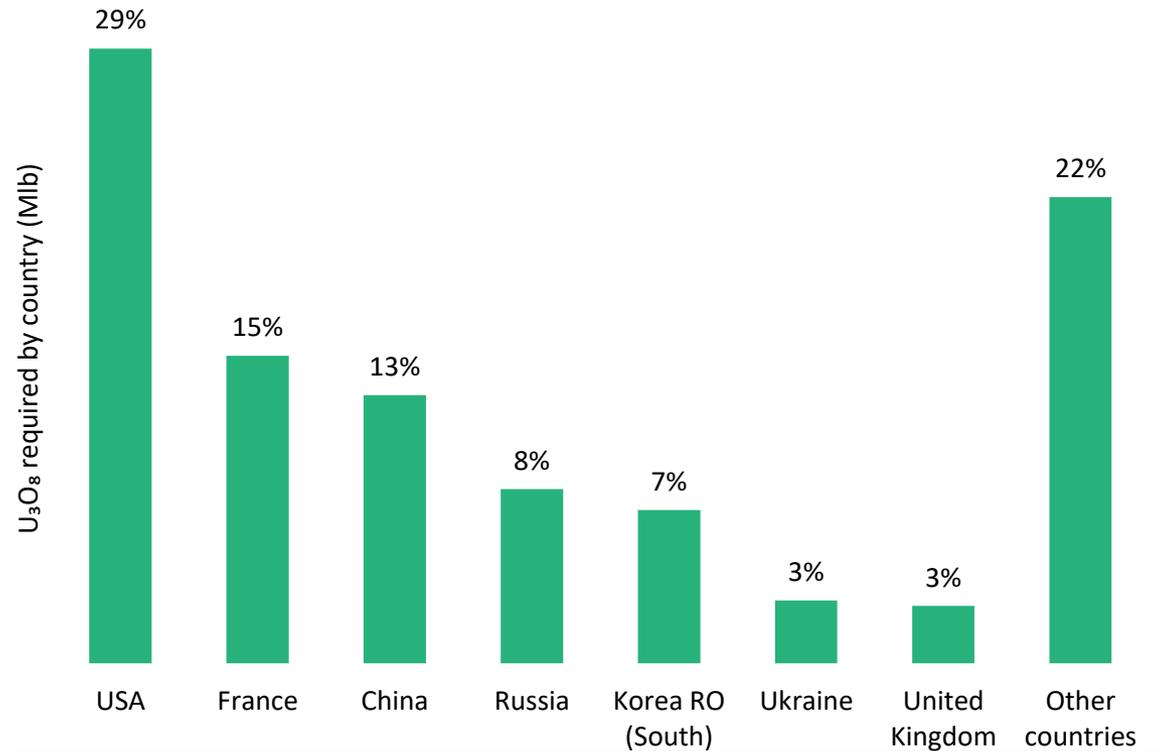
Source:
(1) National Energy Association – 2015. Cost includes both investment cost and O&M, including overnight cost (with contingency) as well as implied IDC, discounted at 7%

Nuclear demand growth

The World Nuclear Association estimates a total of 177mlb of uranium is required to power today's fleet of 442 operable reactors⁽¹⁾

- USA** 94 operable reactors
- France** 56 operable reactors
- China** 49 operable reactors
- Russia** 38 operable reactors
- South Korea** 24 operable reactors

Uranium requirements percentage of world demand⁽¹⁾



Source
 (1) World Nuclear Association, World Nuclear Power Reactors & Uranium Requirements (November 2020)

Future demand

Global nuclear reactor fleet will continue to grow, especially in China, India and the Middle East

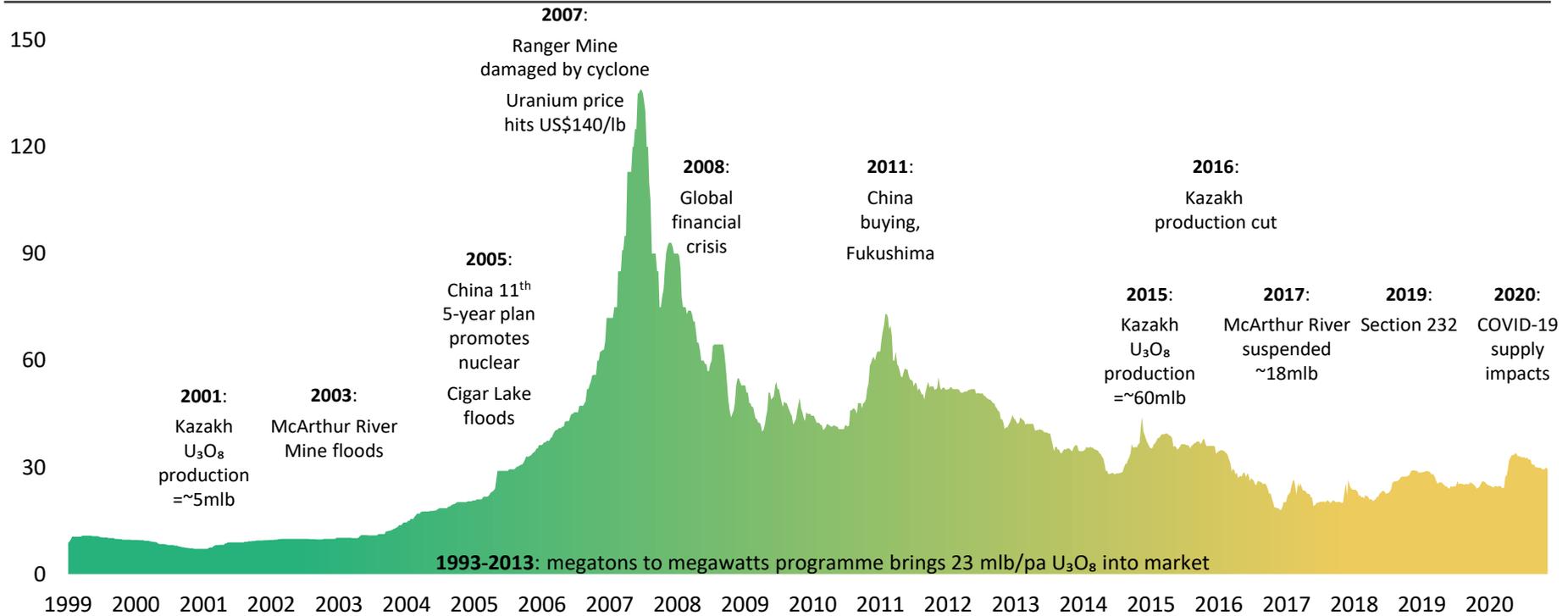
<p>China</p> <p>14 reactors under construction, 41 planned</p>	<p>India</p> <p>7 reactors under construction, 14 planned</p>	<p>Russia</p> <p>2 reactors under construction, 21 planned</p>	<p>UAE</p> <p>3 reactors under construction</p>
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Investment in uranium	Operable reactors ⁽¹⁾	Reactors under construction ⁽¹⁾	Planned reactors ⁽¹⁾	Proposed reactors ⁽¹⁾
World Nuclear Reactor Fleet	442	52	100	326
China Reactor Fleet	49	14	41	168

Source
 (1) World Nuclear Association, World Nuclear Power Reactors & Uranium Requirements (November 2020)

Supply – uranium price chart

Historical uranium price⁽¹⁾

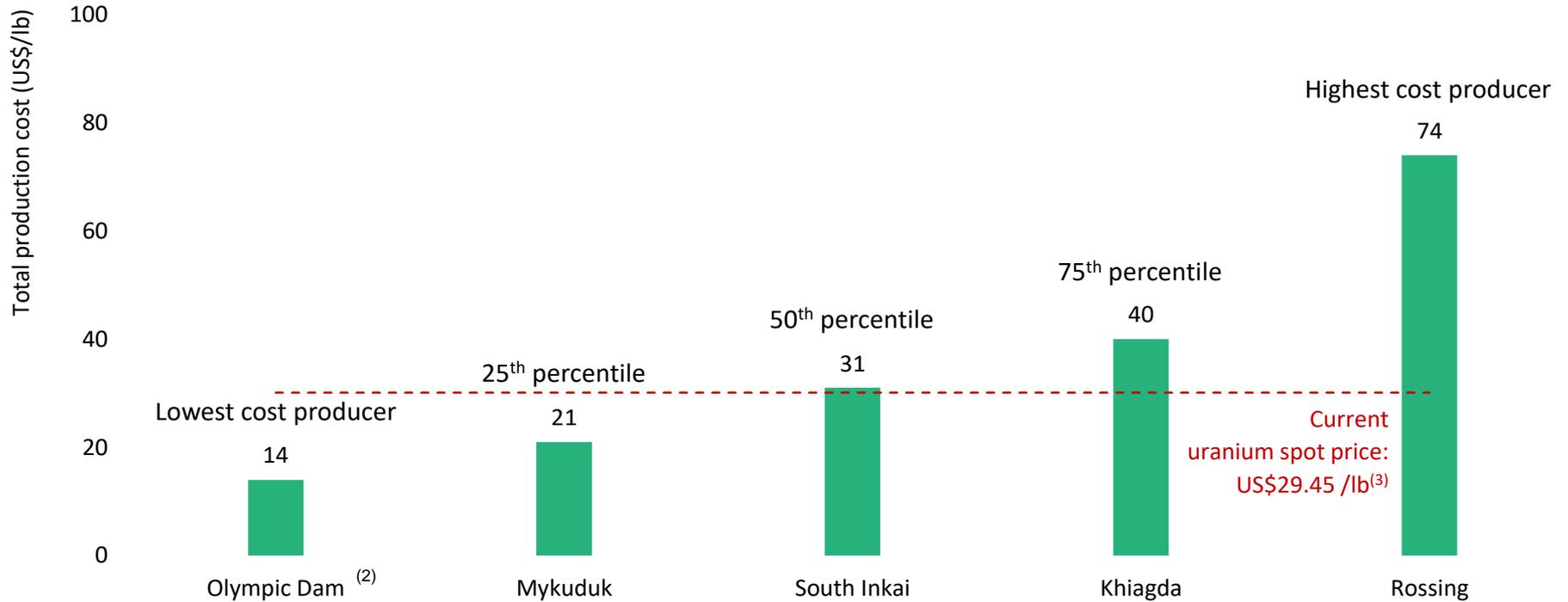


Source
 (1) UxC LLC price 30 November 2020

Supply

Significant portion of supply is loss making at current spot price

2018 estimated total production costs⁽¹⁾ (US\$/lb)



Source

(1) Company analysis based on SRK Consulting Global Operating Cost Curve for Primary Uranium Production, Section 232 Investigation of Uranium Imports dated 16 January 2018

(2) Low cost due to uranium being a by-product of copper production

(3) UxC LLC price 30 November 2020

Global supply cuts

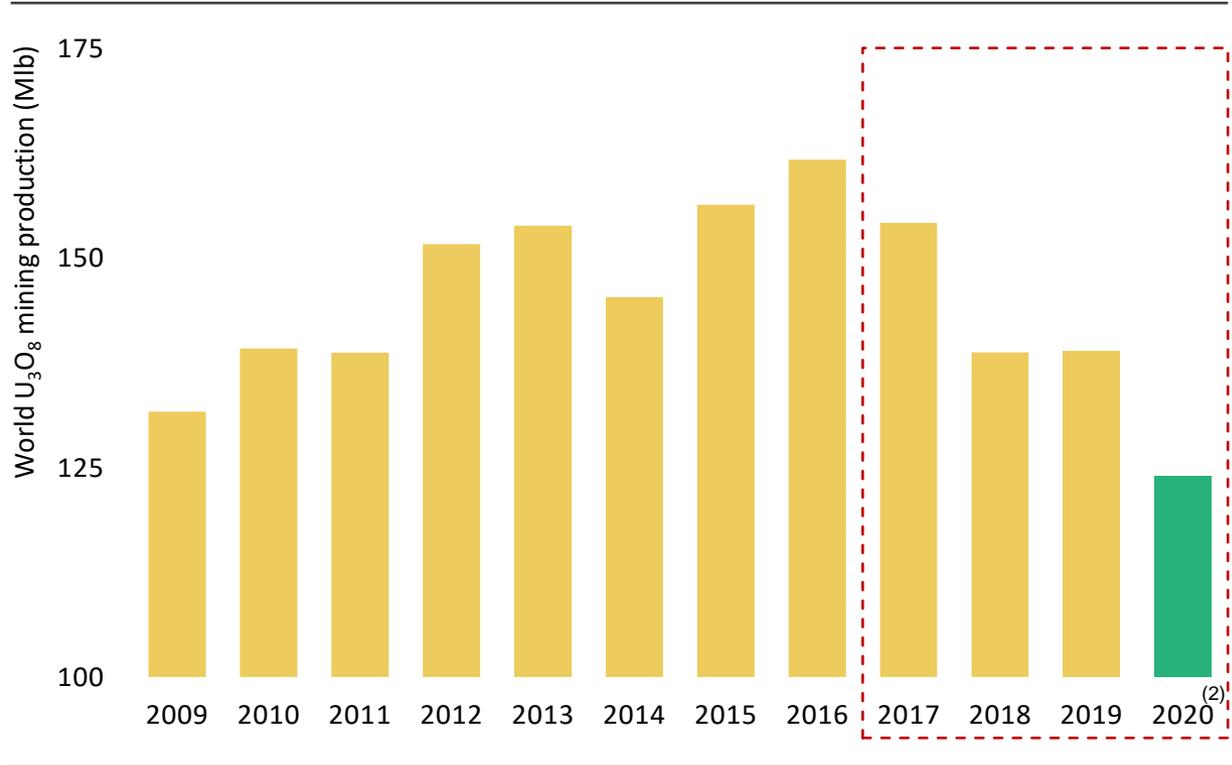
Producers have been taking self-help measures, exacerbated by COVID-19

Supply side responses have been the major theme of the market since 2016

- Cameco’s shut down of Rabbit Lake in 2016, and suspension at McArthur River in 2018
- Kazatomprom’s announcement in 2017 of a 20% production reduction for three years
- Paladin suspension at Langer Heinrich in May 2018

Recent announcements of Cigar Lake suspension and Kazatomprom production curtailments related to COVID-19

Production cuts seen from 2016⁽¹⁾



Source

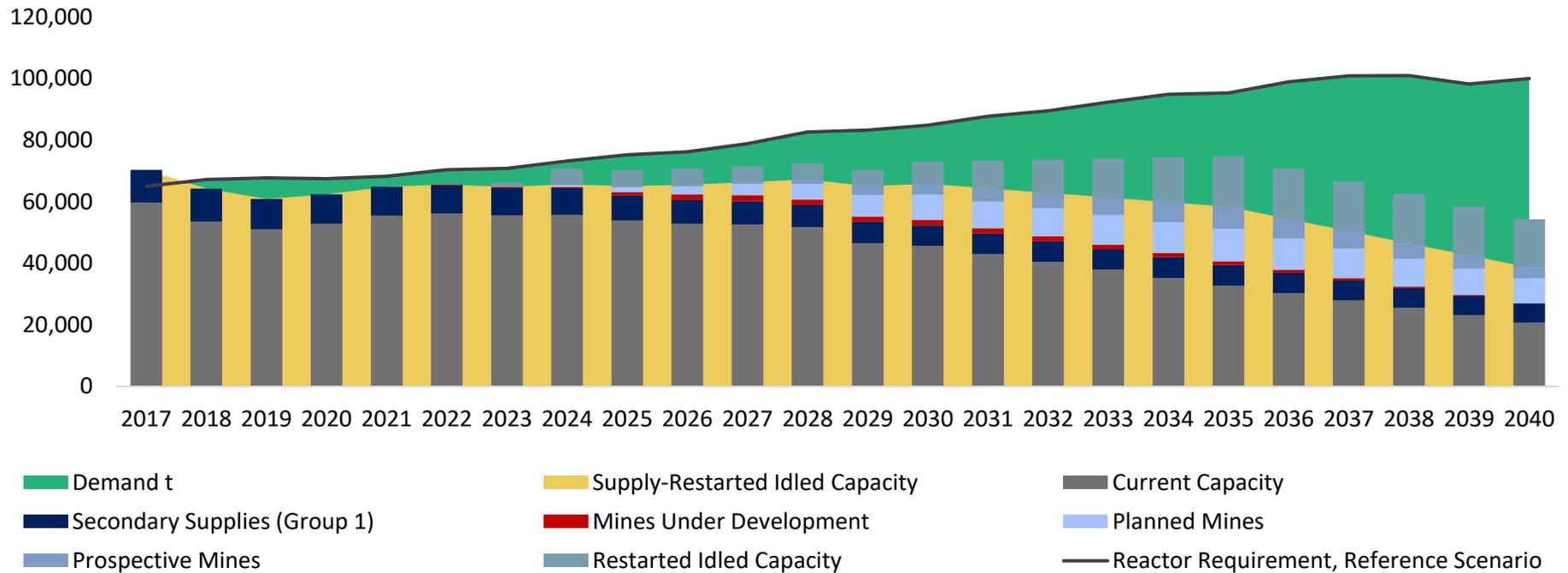
(1) World Nuclear Association, World Uranium Mining Production (August 2019)

(2) UxC LLC – “2019 U₃O₈ Production Review”, May 2020

Growing mine supply gap

Underinvestment in exploration and development is leading to a potential future supply gap. The Reference market scenario incorporated in the latest WNA nuclear fuel market report shows an immediate global market supply deficit⁽¹⁾

Supply/demand imbalance (U₃O₈ tU)

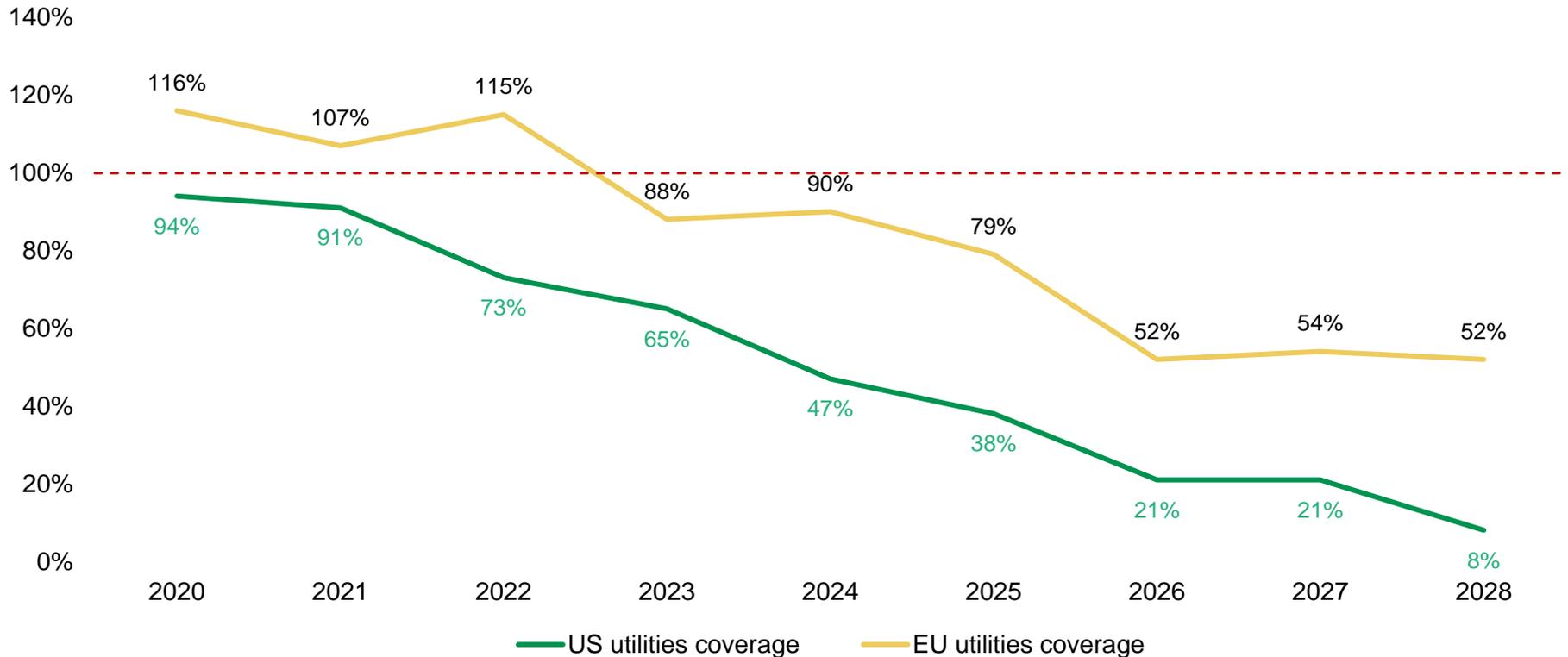


Source
 (1) The Nuclear Fuel Report - Global Scenarios for Demand and Supply Availability 2019-2040 (September 2019)

Long-term contracts need to be replaced

Contract covering has the potential to create a rapid tightening of the spot market

Future contracted coverage rates of US and European utilities



Source

(1) US Energy Information Administration: 2019 Uranium Marketing Annual Report (May 2020)

(2) Euratom Supply Agency Annual Report 2019 (30 June 2020)

Investment highlights and outlook

Yellow Cake

- Yellow Cake provides pure exposure to the uranium price, without any operating risks
- The Company has a low cost structure
- Yellow Cake has access to significant quantities of uranium at the spot price

Market Outlook

- The uranium spot price has performed strongly year-to-date on the back of COVID-19 related supply impacts, but has pulled back recently
- Uranium contract coverage in the US at exceptionally low levels
- Immediately prior to the COVID-19 pandemic, US utilities were entering the long term market and we expect them to re-enter the term market in the near term
- We continue to see more risk to the uranium supply side than the demand side

