

15 March 2021



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

### **Exercise of Full Kazatomprom 2021 Option and Purchase of Additional Uranium**

Yellow Cake, a specialist company operating in the uranium sector, with a view to holding physical uranium for the long term, is pleased to announce that following the completion of the upsized US\$140 million share placing on 2 March 2021, it has informed NAC Kazatomprom JSC (“Kazatomprom”) that it has elected to exercise its full 2021 US\$100 million uranium purchase option under its agreement with Kazatomprom (the “Framework Agreement”) and expects to take delivery of the  $U_3O_8$  between April and August 2021.

Additionally, Yellow Cake has agreed to purchase a further 440,000 lb of  $U_3O_8$  at a price of \$27.34/lb for total consideration of US\$12 million.

These uranium purchases will increase Yellow Cake’s  $U_3O_8$  holdings from 9.3 million lb to 13.2 million lb.

To the extent that additional uranium can be sourced for value, Yellow Cake intends to continue with further uranium market purchases.

#### **Kazatomprom Option**

Under its Framework Agreement with Kazatomprom, Yellow Cake has the option to purchase up to US\$100 million of  $U_3O_8$  per year from Kazatomprom at an undisturbed spot price, through to 2027. Yellow Cake has now fully exercised its 2021 option to purchase US\$100 million of  $U_3O_8$  from Kazatomprom under the Framework Agreement at a price of US\$28.95/lb.

The purchase price was agreed on 19 February 2021 (using spot market indicators), enabling the Company to subsequently complete its US\$140 million share placing and then exercise the option at the agreed price under the Framework Agreement.

This represents 3.5 million lb of additional  $U_3O_8$  which will be delivered into storage as part of Yellow Cake’s long term buy and hold strategy.

This material will be delivered to Cameco’s Port Hope / Blind River facility in Ontario, Canada. A delivery schedule between April and August 2021 will be agreed between the parties.

#### **Additional Uranium Purchased**

In addition to fully exercising the 2021 Kazatomprom purchase option, Yellow Cake has agreed to purchase a further 440,000 lb of  $U_3O_8$  at a price of US\$27.34/lb and will take delivery of the additional  $U_3O_8$  at Cameco’s Port Hope / Blind River facility during March 2021. This removes material from the already tightening spot market.

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

*“We believe there is a clear shift in sentiment around the outlook for uranium. Significant investor demand enabled us to considerably increase the size of the share placing. We now see real opportunity for shareholders to benefit from the pending rebalancing of the uranium market. The larger placing also provides strategic benefits to Yellow Cake. We can now fully exercise the Kazatomprom option for 2021, and also actively look for further selective market opportunities to increase our exposure to the uranium price.”*

**ENQUIRIES:**

**Yellow Cake plc**

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## **ABOUT YELLOW CAKE**

Yellow Cake is a London-listed company founded and established by Bacchus Capital and headquartered in Jersey, which offers exposure to the uranium spot price. This is achieved through its strategy of buying and holding physical triuranium octoxide (“U<sub>3</sub>O<sub>8</sub>”). It may also seek to add value through the acquisition of uranium royalties and streams or other uranium related activities. Yellow Cake seeks to generate returns for shareholders through the appreciation of the value of its holding of U<sub>3</sub>O<sub>8</sub> and its other uranium related activities in a rising uranium price environment. The business is differentiated from its peers by its ten-year Framework Agreement for the supply of U<sub>3</sub>O<sub>8</sub> with Kazatomprom, the world’s largest uranium producer. Yellow Cake currently holds 9.32 million lb of U<sub>3</sub>O<sub>8</sub>, all of which is held in storage in Canada and France.

## **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<sub>3</sub>O<sub>8</sub>, 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.