



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

### QUARTERLY OPERATING UPDATE

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 31 December 2021 (the “Quarter”).

#### Highlights

- Estimated net asset value as at 31 December 2021 of £3.31 per share<sup>1</sup> or US\$818.6 million, comprising 15.83 million lb of U<sub>3</sub>O<sub>8</sub> valued at a spot price of US\$42.00/lb<sup>2</sup> and cash and other current assets and liabilities of US\$153.6 million.
- Increase in value of U<sub>3</sub>O<sub>8</sub> held by Yellow Cake by 12% over the Quarter from US\$595.8 million<sup>3</sup> as at 30 September 2021 to US\$665.0 million<sup>4</sup> as at 31 December 2021.
- Following the completion of an upsized share placing and retail offer in March 2021 (which raised gross proceeds of approximately £99.3 million (US\$138.5 million)) and an oversubscribed share placing and retail offer in June 2021 (which raised gross proceeds of approximately £62.5 million (US\$86.9 million)), Yellow Cake successfully completed a further oversubscribed share placing, which raised gross proceeds of approximately £109.2 million (US\$149.7 million) (the “October Placing”).
- During the Quarter, Yellow Cake took delivery of a further 4.0 million lb of U<sub>3</sub>O<sub>8</sub>, as follows:
  - Purchased 2.0 million lb of U<sub>3</sub>O<sub>8</sub> from Curzon Uranium Limited at a price of US\$46.32/lb, and took title to this uranium in November 2021. The purchase was part funded out of the proceeds of the October Placing; and
  - Took delivery of 2.0 million lb of U<sub>3</sub>O<sub>8</sub> from NAC Kazatomprom JSC (“Kazatomprom”) on 4 December 2021, pursuant to an agreement concluded with Kazatomprom on 26 August 2021 to purchase a further 2.0 million lb of U<sub>3</sub>O<sub>8</sub> at a price of US\$32.23/lb, for a total consideration of US\$64.5 million.
- The Company intends to use part of the remaining proceeds of the October Placing to fund the purchase of 0.95 million lb of U<sub>3</sub>O<sub>8</sub> from Kazatomprom, pursuant to Kazatomprom’s offer of 26 October 2021 and subject to contract, at a price of US\$47.58/lb, with delivery expected to take place by June 2022.
- Under an existing arrangement (as previously disclosed in the Company's admission document, annual reports and recent press releases), Kazatomprom had an option to repurchase, at the uranium spot price less an aggregate discount of US\$6.6 million, up to 25% of the initial purchase volume which the Company

<sup>1</sup> Estimated net asset value per share as at 31 December 2021 is calculated assuming 187,740,730 ordinary shares in issue less 4,069,498 shares held in treasury, the Bank of England's daily USD/ GBP exchange rate of 1.3477 and the daily spot price published by UxC, LLC as at 31 December 2021

<sup>2</sup> Daily spot price published by UxC, LLC on 31 December 2021

<sup>3</sup> Based on the daily spot price of US\$43.00/ lb published by UxC, LLC on 30 September 2021 and 13,855,601 lb U<sub>3</sub>O<sub>8</sub> held by the company as at 30 September 2021

<sup>4</sup> Based on the daily spot price of US\$42.00/ lb published by UxC, LLC on 31 December 2021 and 15,832,755 lb U<sub>3</sub>O<sub>8</sub> held by the company as at 31 December 2021

purchased from Kazatomprom in July 2018 under the Company's 10-year Framework Agreement with Kazatomprom (the "Repurchase Option"). The Company had a corresponding buyback option to purchase from Kazatomprom, at the prevailing spot price, all or a portion of the volume repurchased by Kazatomprom under its Repurchase Option (the "Buyback Option").

- Following the conditions being met for Kazatomprom to exercise its Repurchase Option:
  - Kazatomprom exercised its Repurchase Option at a price of US\$43.25/lb less an aggregate discount of US\$6.6 million, and took delivery of 2,022,846 lb of U<sub>3</sub>O<sub>8</sub> from Yellow Cake on 22 November 2021; and
  - Yellow Cake exercised its Buyback Option for the same quantity of uranium at a price of US\$43.25/lb and is expected to take delivery of the 2,022,846 lb of U<sub>3</sub>O<sub>8</sub> from Kazatomprom between March 2022 and April 2022.
  - The net impact of the Repurchase Option and Buyback Option transactions is expected to be a pay-out by the Company to Kazatomprom of US\$6.6 million.
- Following completion of the transactions with Kazatomprom described above (whereby the Company expects to acquire 0.95 million lb of U<sub>3</sub>O<sub>8</sub> from Kazatomprom and following the completion of the Repurchase Option and Buyback Option transactions with Kazatomprom), Yellow Cake's holding of U<sub>3</sub>O<sub>8</sub> is expected to increase to 18.81 million lb.
- Yellow Cake's estimated proforma net asset value on 28 January 2022 was £3.40 per share or US\$834.3 million, assuming 18.81 million lb of U<sub>3</sub>O<sub>8</sub><sup>5</sup> valued at a spot price of US\$43.25/lb<sup>6</sup> and cash and other current assets and liabilities of US\$153.6 million as at 31 December 2021, less a cash consideration of US\$92.6 million to be paid to Kazatomprom on delivery of 2.02 million lb of U<sub>3</sub>O<sub>8</sub> by April 2022, less a cash consideration of US\$45.2 m to be paid to Kazatomprom (subject to contract) in respect of 0.95 million lb of U<sub>3</sub>O<sub>8</sub> that is expected to be delivered by June 2022.
- On 2 January 2022, civil unrest surfaced in Kazakhstan related to an increase in fuel prices, which in turn led to the declaration of a two-week nationwide state of emergency on 5 January. Kazatomprom reassured its global uranium customers that uranium production and transport operations remained unaffected although the nationwide rail service was impacted for a short period. Kazatomprom further cautioned that possible supply chain disruptions could occur especially for the importation of materials deemed critical to ISR uranium production as well as the exportation of the final product. Yellow Cake is closely monitoring the situation in Kazakhstan and the operational performance of Kazatomprom

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

*"We continue to deliver on our strategy. In the quarter we successfully completed a further oversubscribed share placing, our third in the calendar year, raising US\$150 million. This will enable us to acquire 3 million pounds of uranium, which in addition to other uranium purchases during the year, including our purchase agreement with Kazatomprom which is central to our business model, will bring our total holdings to 19 million lb. The three raises in the year serve to reaffirm not just the commitment to our strategy but also our confidence in the investment case, illustrated by the continued purchasing of uranium by Sprott and the decision by Kazatomprom to launch a physical uranium trust. Our view is unchanged. We continue to believe the uranium price will be supported by the key characteristics that make this such a compelling time to invest in the commodity, driven by the on-going combination of supply demand characteristics and the growing appreciation of the role of nuclear in our clean energy future. This was highlighted by French President Macron's statement that nuclear must continue to play a major role in France's energy program which has plans for six new reactors."*

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<sup>5</sup> Comprises 15.8 million lb of U<sub>3</sub>O<sub>8</sub> held on 31 December 2021, plus 2.02 million lb of U<sub>3</sub>O<sub>8</sub> to be bought back from Kazatomprom in terms of the Repurchase and Buyback Option Agreement with Kazatomprom for delivery by April 2022, plus 0.95 million lb of U<sub>3</sub>O<sub>8</sub> to be purchased from Kazatomprom, subject to contract, expected to be delivered by June 2022

<sup>6</sup> Daily spot price published by UxC, LLC on 28 January 2022

## Uranium Market Developments and Outlook

### Uranium Market Developments

The uranium spot market price continued to show volatility during the fourth quarter of 2021, but to a lesser degree than in the third quarter. The UxC spot uranium price ended September at US\$43.00/lb after peaking at US\$50.50/lb in mid-September. The spot price then rebounded during October and finished the month at US\$47.40/lb. November was characterised by relative price stability as the end-of-month price stood at US\$46.00/lb, but as near-term demand declined during the month of December (SPUT activity fell as the unit price settled below the NAV), the spot price decreased moderately during the month reporting a month-end level of US\$42.10/lb, a decline of 8 percent from the November spot price.

Longer term uranium price indicators have also shown increasing volatility during the fourth quarter, but especially when using mid-year price levels as a benchmark. The Long-Term price stood at US\$32.00/lb at the end of June but then rose to US\$40.00/lb at the end of September and then remained flat at US\$41.00/lb in October and November before ending the year at US\$40.50/lb (26% higher than at mid-year).

UxC's 3-year forward price was US\$34.00/lb at the end of June, but increased markedly to US\$43.00/lb at the end of September. The 3-year forward price then reached US\$47.00/lb at the end of October, an increase of 38% over the four month period. However, the price weakened to US\$46.00/lb in November before falling to US\$43.75/lb at the end of the year (almost 29% above the end of June level).

Looking further out, the 5-year forward price reported at US\$38.00/lb mid-year before increasing to US\$47.00/lb in September and reaching US\$48.00/lb at the end of October. However, the indicator then declined to US\$47.00/lb by the end of November before falling further to US\$44.75/lb at the end of December (18% rise from mid year).

Monthly transactional volumes in the spot uranium market showed a persistent downward trend throughout the fourth quarter. Spot market volume declined significantly during December, falling to 2.7 million lb<sup>7</sup> as compared to the November level of 8.5 million lb<sup>8</sup> and the October total of 11.7 million lb.<sup>9</sup> At the end of December, UxC reported a total CY2021 spot market transactional volume of 99.4 million lb<sup>7</sup>, a new record high quantity, driven, in part, by purchasing from junior producers and several financial entities (including Sprott Physical Uranium Trust and Yellow Cake plc).

Sprott Physical Uranium Trust (SPUT) filed its second Amended and Restated Shelf Prospectus allowing the Trust to issue up to US\$3.5 billion of units of the Trust in Canada during a 25-month period that commenced on 10 August 2021. The press release went on to add that "Since launching the At-the-Market offering, SPUT has issued 87 million Units for gross proceeds of approximately US\$987 million, which has resulted in the purchase of 21.5 million pounds of U<sub>3</sub>O<sub>8</sub>.<sup>10</sup> SPUT now holds approximately 40 million pounds of physical uranium on behalf of our clients." (note: SPUT held a total of 42.7 million pounds U<sub>3</sub>O<sub>8</sub> as of 7 January 2022).<sup>11</sup>

Kazatomprom announced the planned formation of a physical uranium trust fund, ANU Energy OEIC Ltd. which will hold physical uranium as a long-term investment with its initial purchases financed through the founders' round investment totalling US\$50 million, sourced from Kazatomprom (48.5%), National Investment Corporation of the National Bank of Kazakhstan (48.5%) and Genchi Global Limited (3%). In its second stage, the fund plans to raise up to US\$500 million to fund further uranium purchases.<sup>12</sup>

Kazatomprom progressed the recently announced formation of a physical uranium trust fund, ANU Energy OEIC Ltd. with the signing a framework agreement with the fund's manager, Genchi Global Limited. The framework agreement "defines the terms of Kazatomprom's investment and mechanisms for the supply of uranium products from Kazatomprom to the Fund, as a key supplier." Furthermore, "The document also provides a

<sup>7</sup> UxC Weekly, Vol 36, no 1, 3 January 2022

<sup>8</sup> UxC Weekly, Vol 35, no 49, 6 December 2022

<sup>9</sup> UxC Weekly, Vol 35, no 44, 1 November 2021

<sup>10</sup> Sprott press release: SPROTT PHYSICAL URANIUM TRUST ANNOUNCES FILING OF SECOND AMENDED AND RESTATED BASE SHELF PROSPECTUS AND UPDATED "AT-THE-MARKET" EQUITY PROGRAM, 23 November 2021

<sup>11</sup> Company website

<sup>12</sup> Kazatomprom Press Release: KAZATOMPROM ANNOUNCED INVESTMENT IN PHYSICAL URANIUM FUND, 18 October 2021

number of mechanisms regarding the lock-up period and price threshold after which the Fund could be able to sell certain amounts of uranium in the market, with Kazatomprom having a priority right to repurchase any uranium the Fund decided to sell.”<sup>13</sup>

Kazatomprom also announced that the company had entered into two term uranium agreements to supply uranium products to two major Chinese nuclear companies: China National Uranium Company Limited and State Nuclear Uranium Resources Development Company Limited. Delivery dates and volumes were not disclosed.<sup>14</sup>

On 2 January 2022, civil unrest surfaced in Kazakhstan as mass protests took place in reaction to an increase in fuel prices. Protestors took to the streets and clashed with Kazakh security forces causing the nation’s President, Kassym-Jomart Tokayev, to declare a nationwide state of emergency and request support from the Russian-led military alliance, the Collective Security Treaty Organisation (CSTO). An estimated 2500-3000 Russian troops were dispatched to neighbouring Kazakhstan in support of the local security forces which quelled the protests. Kazatomprom reassured its global uranium customers that uranium production and transport operations remained unaffected although nationwide rail service was impacted for a short period.

In statements released during the protests, Kazatomprom cautioned that possible supply chain disruptions could occur especially for the importation of materials deemed critical to ISR uranium production as well as the exportation of the final product. Yellow Cake is closely monitoring the situation in Kazakhstan and the operational performance of Kazatomprom. It is also expected that nuclear utilities will reassess their risk management programmes as relates to uranium purchases from Kazakhstan.

#### Commercial Nuclear Power

French President Emmanuel Macron announced on 12 October 2021 that nuclear power must continue to play a major role in France’s energy program as he presented the *France 2030* plan for re-industrialization.<sup>15</sup> Further, on 9 November, he stated that France would build additional nuclear reactors to support energy independence with the expectation that construction of six new reactors would be announced in the near future.<sup>16</sup>

The International Energy Agency (IEA) released a comprehensive review of the Energy Policy of France and observes that the country benefits from decarbonized electricity and the lowest per capita emissions of advanced economies thanks to the role of nuclear energy, which accounted for 67% of its power mix in 2020, down from 76% in 2010. One of the key recommendations of the review stated that France needs to “Clarify the ambitions for the closure of long-term operation of existing and the construction of new nuclear reactors in France, including financing mechanisms to mitigate uncertainties on the path towards net zero to support an affordable, sustainable and secure energy mix.”<sup>17</sup>

On 15 December 2021, the newly-elected government in the Netherlands announced its energy policy, which had been under negotiation since March 2021. The coalition government supports extended operations of the existing single nuclear reactor (Borssele) which has been in operation since 1973 and the construction of two new reactors which may not enter commercial operations until post-2030.<sup>18</sup>

Recent opinion polls show that almost 80% of Polish citizens support nuclear power development. Reportedly, the federal government is evaluating the construction of up to six large nuclear reactors to be in operation by 2040 as well as SMR technologies.<sup>19</sup>

On 19 October 2021, the UK government published its “Net Zero Strategy: Build Back Greener” which calls for the UK to be entirely powered by clean electricity by 2035, “subject to security of supply.” As one component of the strategy, the government proposed to secure a final investment decision on a large-scale nuclear plant by

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13 Kazatomprom Press Release: KAZATOMPROM SIGNS PHYSICAL URANIUM FUND INVESTMENT AGREEMENT, 23 November 2021

14 Kazatomprom Press Release: KAZATOMPROM SIGNS TERM CONTRACTS WITH CHINESE, 12 November 2021

15 World Nuclear News: “Macron: Nuclear “absolutely key” to France’s future”, 13 October 2021

16 Reuters: “Macron says France will build new nuclear energy reactors,” 9 November 2021

17 International Energy Agency: “2021 Energy Policy Review of France”, 1 December 2021

18 World Nuclear News: “Nuclear makes a comeback in the Netherlands”, 15 December 2021

19 World Nuclear News: “Polish support for Nuclear on a high”, 15 December 2021

the end of the current parliament. Negotiations regarding the proposed Sizewell C nuclear reactor in Suffolk have been ongoing since December 2020.<sup>20</sup>

Effective 31 December 2021, in accordance with the established nuclear phase-out programme, Germany permanently closed three nuclear reactors: Brokdorf, (1410 Mwe / COD October 1986); Grohnde (1360 Mwe / COD September 1984) and Gundremmingen C (1288 Mwe / COD March 1985). The three remaining operating reactors Emsland, Isar 2 and Neckarwestheim 2 will close by the end of 2022.<sup>21</sup>

In a press release dated 1 January 2022, the European Commission announced that consultations had begun on 31 December on a draft text of a Taxonomy Complementary Delegated Act covering gas and nuclear activities. The Commission stated that “there is a role for natural gas and nuclear as a means to facilitate the transition towards a predominately renewable-based future.” Furthermore, “The activities covered in this complementary Delegated Act would accelerate the phase out of more harmful sources, such as coal, and in moving us towards a more low-carbon greener energy mix.”<sup>22</sup>

Subsequently, on 10 January 2022, the European Commissioner for the Internal Market, Thierry Breton, stated that nuclear energy had a fundamental role to play if the EU was to achieve net-zero carbon emissions and that existing nuclear power plants require EUR50 billion investment by 2030 with EUR500 billion required by 2050 for new generation.<sup>23</sup>

On 2 November 2021, Bloomberg published a comprehensive article outlining the planned nuclear power expansion in China. The article states that China is planning at least 150 new reactors in the next 15 years which would be more than the rest of the world has built in the past 35 years.<sup>24</sup>

On 16 December 2021, Indian Minister of State for Atomic Energy, Jitendra Singh, announced “in-principle” approval for six new nuclear reactors (1,650 Mwe capacity each) to be located at Jaitapur in the Ratnagiri district. The proposed joint venture with EDF would represent 9,900 Mwe capacity making the facility the largest nuclear power generating site in India.<sup>25</sup>

On 18 December 2021, voters in Taiwan defeated a proposal to revive the US\$11 billion Lungmen NPP (Nuclear Four) which has been mothballed since 2014. The current government of President Tsai-Ing-wen has adopted an energy transition plan calling for commercial nuclear power (currently 11% of generation) to be phased out by 2025, while LNG’s share of generation increases to 50% from the present 36%, coal falls from nearly 46% to 27% and renewables rise from 6% to 20% by mid-decade.<sup>26</sup>

Citing provisions in the recent U.S. Bipartisan Infrastructure Law, the U.S. Department of Energy set forth the benefits of the U.S. commercial nuclear fleet in supporting net-zero goals. Recognizing that 12 nuclear reactors have already been shuttered since 2013 due to economic factors ranging from historically low natural gas prices to local policies that fail to reward nuclear energy for its carbon avoidance, the Civil Nuclear Credit program allows owners or operators of commercial U.S. reactors to competitively apply for and bid on credits to help support their continued operations and avoid premature retirement due to financial hardship. The program is expected to commence in fall 2022 and will award up to US\$6 billion in credits until September 2031.<sup>27</sup>

UxC published its annual “Major Trends to Watch” for the upcoming year which included positive signs for operating nuclear reactors such as the possible operating life extensions for some of the older reactors in France, additional applications for 20-year extensions in the U.S. as well as positive news regarding reactor restarts in

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20 “Net Zero Strategy: Build Back Greener”; presented to the Parliament pursuant to Section 14 of the Climate Change Act 2008, 19 October 2021

21 World Nuclear News: “Three German Reactors Cease Operation”, 4 January 2022

22 European Commission – press release, “EU Taxonomy: Commission begins expert consultations on Complementary Delegated Act covering certain nuclear and gas activities”, 1 January 2022

23 World Nuclear News: “EU needs “colossal” investment in new nuclear, says commissioner.”, 10 January 2022

24 Bloomberg, “China’s Climate Goals Hinge on a \$440 Billion Nuclear Buildout”, 2 November 2021

25 The Indian Express: “6 nuclear power plants in Jaitapur have got in-principle approval: Minister”, 16 December 2021

26 Focus Taiwan – CNA English News: “4th Nuclear Power Plant Referendum Defeated”, 18 December 2021

27 U.S. Department of Energy, “Saving existing Nuclear Fleet Brings Net-Zero Future Closer”, 6 December 2021

Japan. New reactors reaching commercial operations status during 2022 may total 11 units with four reactors in China and single units in Belarus, Finland, Pakistan, Slovakia, South Korea, the U.A.E. and the U.S.<sup>28</sup>

The Economist published a short article entitled, “The Discreet Charm of Nuclear Power,” describing the benefits of commercial nuclear power during a transition to increased renewable energy sources. The article questions the decisions to shut-down commercial power reactors well before their expected retirement dates (such as Diablo Canyon in California) simply in response to political pressure. Furthermore, the development of Small Modular Reactors (SMR) could lead to increasing reliance on nuclear power in countries such as France.<sup>29</sup>

### Market Outlook

The Nuclear Energy Institute (NEI) convened the annual International Uranium Fuel Seminar from 7 to 9 November 2021. This was the first industry in-person conference in 22 months and the principal focus was the current and future global uranium market. Jonathan Hinze, President of UxC, LLC, provided that group’s observations on the direction of the uranium market and noted “High levels of secondary buying is leading to rapid price swings, greater market unpredictability, and accelerated market rebalancing as inventories are removed” and concluded that “SPUT and other investor activity will fundamentally change the uranium market in ways we are yet to fully appreciate.”<sup>30</sup>

The global uranium market continues to undergo substantial rebalancing as financial entities pursue the acquisition of spot/near-term market supplies. Yellow Cake expects the global spot market to continue to tighten as mobile uranium supplies are acquired and sequestered as a complementary activity to more traditional nuclear fuel trader strategies of buying and selling on a regular basis.

In the event that the spot market supply thins and buyer interest remains at historically high levels, market volatility can be expected to increase around an overall upwards uranium price trend.

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28 Ux Weekly: “Major Trends to Watch in 2022”, 3 January 2022

29 The Economist: “The Discreet Charm of Nuclear Power”, 13 November 2021

30 “UxC Daily Spot Price Reporting in Response to an Evolving Market,” Nuclear Energy Institute IUFS, 9 November 2021

## Net Asset Value

Yellow Cake's estimated net asset value on 31 December 2021 was £3.31 per share or US\$818.6 million, consisting of 15.83million lb of U<sub>3</sub>O<sub>8</sub>, valued at a spot price of US\$42.00/ lb<sup>31</sup> and cash and other current assets and liabilities of US\$153.6 million<sup>32</sup>.

Yellow Cake Estimated Net Asset Value as at 31 December 2021			
		Units	
Investment in Uranium			
Uranium oxide in concentrates ("U <sub>3</sub> O <sub>8</sub> ")	(A)	lb	15,832,755
U <sub>3</sub> O <sub>8</sub> fair value per pound <sup>(31)</sup>	(B)	US\$/lb	42.00
U <sub>3</sub> O <sub>8</sub> fair value	(A) x (B) = (C)	US\$ m	665.0
Cash and other net current assets/(liabilities) <sup>(32)</sup>	(D)	US\$ m	153.6
<b>Net asset value in US\$ m</b>	<b>(C) + (D) = (E)</b>	<b>US\$ m</b>	<b>818.6</b>
Exchange Rate <sup>(33)</sup>	(F)	USD/GBP	1.3477
Net asset value in £ m	(E) / (F) = (G)	£ m	607.39
Number of shares in issue less shares held in treasury <sup>(34)</sup>	(H)		183,671,232
<b>Net asset value per share</b>	<b>(G) / (H)</b>	<b>£/share</b>	<b>3.31</b>

<sup>31</sup> Daily spot price published by UxC, LLC on 31 December 2021

<sup>32</sup> Cash and cash equivalents and other net current assets and liabilities as at 31 December 2021

<sup>33</sup> Bank of England's daily USD/ GBP exchange rate of 1.3477 as at 31 December 2021

<sup>34</sup> Net asset value per share on 31 December 2021 is calculated assuming 187,740,730 ordinary shares in issue less 4,069,498 shares held in treasury

Yellow Cake's estimated proforma net asset value on 28 January 2022 was £3.40 per share or US\$834.3 million, assuming 18.81 million lb of U<sub>3</sub>O<sub>8</sub><sup>35</sup> valued at a spot price of US\$43.25/lb<sup>36</sup> and cash and other current assets and liabilities of US\$153.6 million as at 31 December 2021, less a cash consideration of US\$92.6 million to be paid to Kazatomprom on delivery of 2.02 million lb of U<sub>3</sub>O<sub>8</sub> by April 2022, less a further cash consideration of US\$45.2 million to be paid to Kazatomprom (subject to contract) in respect of 0.95 million lb of U<sub>3</sub>O<sub>8</sub>, expected to be delivered by June 2022.

<b>Yellow Cake Estimated Proforma Net Asset Value as at 28 January 2022</b>			
		<b>Units</b>	
Investment in Uranium			
Uranium oxide in concentrates ("U <sub>3</sub> O <sub>8</sub> ") <sup>(35)</sup>	(A)	lb	18,805,601
U <sub>3</sub> O <sub>8</sub> fair value per pound <sup>(36)</sup>	(B)	US\$/lb	43.25
U <sub>3</sub> O <sub>8</sub> fair value	(A) x (B) = (C)	US\$ m	813.3
Cash and other net current assets/(liabilities) <sup>(37)</sup>	(D)	US\$ m	20.9
<b>Net asset value in US\$ m</b>	<b>(C) + (D) = (E)</b>	<b>US\$ m</b>	<b>834.3</b>
Exchange Rate	(F)	USD/GBP	1.3378
Net asset value in £ m	(E) / (F) = (G)	£ m	623.60
Number of shares in issue less shares held in treasury <sup>(38)</sup>	(H)		183,671,232
<b>Net asset value per share</b>	<b>(G) / (H)</b>	<b>£/share</b>	<b>3.40</b>

35 Comprises 15.8 million lb of U<sub>3</sub>O<sub>8</sub> held on 31 December 2021, plus 2.02 million lb of U<sub>3</sub>O<sub>8</sub> to be bought back from Kazatomprom in terms of the Repurchase and Buyback Option Agreement with Kazatomprom for delivery by April 2022, plus 0.95 million lb of U<sub>3</sub>O<sub>8</sub> to be purchased from Kazatomprom, subject to contract, expected to be delivered by June 2022

36 Daily spot price published by UxC, LLC on US\$43.25/lb

37 Includes cash and other current assets and liabilities of US\$153.6 million as at 31 December 2021, less a cash consideration of US\$92.6 million to be paid to Kazatomprom on delivery of 2.02 million lb of U<sub>3</sub>O<sub>8</sub> by April 2022, less a cash consideration of US\$45.2 m to be paid to Kazatomprom (subject to contract) in respect of 0.95 million lb of U<sub>3</sub>O<sub>8</sub>, expected to be delivered by June 2022

38 Net asset value per share on 28 January 2022 is calculated assuming 187,740,730 ordinary shares in issue less 4,069,498 shares held in treasury

**ENQUIRIES:**

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## **ABOUT YELLOW CAKE**

Yellow Cake is a London-quoted company, 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 15.83 million pounds 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.