

3rd October 2018



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 30th September 2018.

Highlights

- Successful US\$200 mm (£151 mm) capital raise in an oversubscribed IPO on the London Stock Exchange on 5th July 2018.
- Value of underlying physical uranium (“U₃O₈”) increased by 29.6% to US\$230.9 mm relative to acquisition cost of US\$178.2 mm.
- Steady improvement in the market fundamentals for U₃O₈, with the spot market price increasing from US\$22.85 /lb⁽¹⁾ to US\$27.35 /lb⁽²⁾ since IPO.
- Purchase of 8.1 million lb U₃O₈ from NAC Kazatomprom JSC (“Kazatomprom”) at IPO on 5th July 2018, at a price of US\$21.01 /lb under a ten-year framework agreement.
- Purchase of an additional 350,000 lb by Yellow Cake from Kazatomprom on 23rd August 2018 at a price of US\$23.30 /lb.
- Total holding of uranium of 8.44 million lb, acquired at an average cost of US\$21.10 /lb against a current spot price of \$27.35 /lb⁽²⁾.
- Net Asset Value increased by 21% to £2.42 /share relative to IPO price of £2.00 per share.

(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 24th September 2018.

Uranium market developments and outlook

The uranium spot market demonstrated notable strengthening during the quarter ending at US\$27.35 /lb⁽³⁾ U₃O₈. Monthly spot market transactions averaged approximately 6.0 million lb U₃O₈ equivalent during January to June but rose significantly during the third quarter reaching an average of approximately 12.0 million lb U₃O₈ equivalent per month.

Announcements by Kazatomprom that annual uranium output continues to be reduced and by Cameco extending the suspension of operations at the McArthur River/Key Lake facility (18.0 million lb U₃O₈ /year) for an indeterminate period, supported the recently emerging theme of supply side discipline. We estimate that the supply reductions from the largest producers of uranium alone will take c. 30 million lb out of the market, resulting in a shortfall in 2019 of c. 40 million lb U₃O₈ based on expected global demand of 174 million lb.

On the demand side, the reactor restart programme in Japan and the Chinese commercial nuclear power programme continues. Japan has nine reactors now operating with a further six units approved for operations, whilst China has a total of 43 operating reactors (40.7 GWe)

and an additional 15 units (15.2 GWe) under active construction. We expect demand to grow in the medium term and buying in the spot market to continue, as higher cost producers look to fulfil long term contracts.

In the United States, the U.S. Department of Commerce initiated an investigation into the national security aspects of high levels of uranium importation.

Looking forward, during the fourth quarter, current market trends are anticipated to continue as investments in physical uranium, trader purchasing and producer buying dominate the near-term market.

(3) Month-end spot price published by Ux Consulting Company, LLC on 24th September 2018.

Net Asset Value

Yellow Cake's estimated net asset value at 30th September 2018 was 242.05 p per share⁽⁴⁾ or US\$240.5 mm, consisting of 8,441,385 lbs of U₃O₈ valued at a spot price of US\$27.35 /lb⁽⁵⁾ and other net assets⁽⁶⁾ of US\$9.6 mm.

As at close on 2nd October 2018, the Company's share price was 240.00 p per share, which represents a 1% discount to the above estimated net asset value of 242.05 p per share⁽⁴⁾.

(4) 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 1.30410 on 30th September 2018.

(5) Month-end spot price published by Ux Consulting Company, LLC on 24th September 2018.

(6) Includes cash and cash equivalents of US\$9.8 mm.

Andre Liebenberg, CEO of Yellow Cake, said:

We were delighted with the success of our listing and are pleased with the strong start we have made as a public company. The IPO of Yellow Cake clearly highlighted the significant emerging interest in uranium as a commodity. We remain confident in the investment case for uranium, an industry with very attractive long term fundamentals and high barriers to entry. With new-build nuclear power capacity outpacing closures, demand for uranium is expected to remain strong long into the future. The combination of constrained supply and the run-off of long term contracts, means we remain positive on the outlook for the uranium price."

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

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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.