



PURE EXPOSURE TO THE
URANIUM COMMODITY

INVESTOR PRESENTATION

January

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Uranium market update

December 2020

- The global uranium (“U₃O₈”) spot market price ended CY2020 at \$30.00 /lb slightly above the end of September price of \$29.75 /lb
- The U₃O₈ spot price did show limited volatility during the quarter falling to \$29.45 /lb at the end of November before recovering slightly
- Spot volume for the year 2020 reached a new record level aggregating 92.2 Mlbs U₃O₈, eclipsing the previous high of 88.7 Mlbs logged in CY2018 (2019 total – 64.3 Mlbs)
- Purchasing activity was enhanced by market intermediaries and primary uranium producers that had reduced / halted operations due to COVID-19
- Spot market volumes decreased noticeably during Q4 2020 as UxC reported total transactions aggregating 14.7 Mlb U₃O₈ which fell short of volume in Q4 2019 (21 Mlbs)
- UxC reported that “a number of quiet awards were made earlier in December” but aggregate term 2020 contracting amounted to only around 53 Mlbs U₃O₈ (equivalent) which includes delivery / purchase commitments within the so-called carry trade / mid-term market (1-3 years forward) as well as the more traditional long-term contracting market (3 to +5 years)
- Several market sources indicate that nuclear utilities are beginning to focus on the long-term uranium market and expectations remain for long-term uranium contracting to increase during 2021 as utility fuel managers pursue forward uranium coverage

Uranium market update

December 2020

UAE

- On 7 December, the Emirates Nuclear Energy Corporation (ENEC) announced that Barakah unit 1 had reached full power and commercial operations can be expected in the first half of 2021. ENEC is developing the Barakah site (Al Dhafra region of Abu Dhabi) with four Korean-designed APR-1400 reactors. Barakah unit 2 was completed in July 2020 and units 3 and 4 are now 93% and 87% complete, respectively

Canada

- On 14 December, Cameco Corporation announced that production at the Cigar Lake Mine (Northern Saskatchewan) would, once again, be temporarily suspended due to Covid-19 infections. Increased market purchases by Cameco are expected as the company announced, “Due to the suspension, we plan to increase our purchases in the market to secure uranium, we need to meet our sales commitments”

United Kingdom

- On 12 December 2020, the United Kingdom government released its Energy White Paper (Powering our Net Zero Future) which sets forth a variety of policies and measures to attain a net zero carbon economy to combat climate change
- Recognising that much of the current commercial nuclear fleet will be retiring over the next decade and that the Hinkley Point C project (3260 Mwe) is due to be commissioned in the mid-2020s, the government plans to bring at least one large-scale nuclear project to the point of Final Investment Decision (FID) by the end of the current Parliament, “Subject to clear value for money and all relevant approvals”
- The United Kingdom government aims to provide up to £385M in an Advanced Nuclear Fund for the next generation of nuclear technology including a Small Modular Reactor (SMR) design and to build a demonstration Advanced Modular Reactor (AMR)

Uranium market update

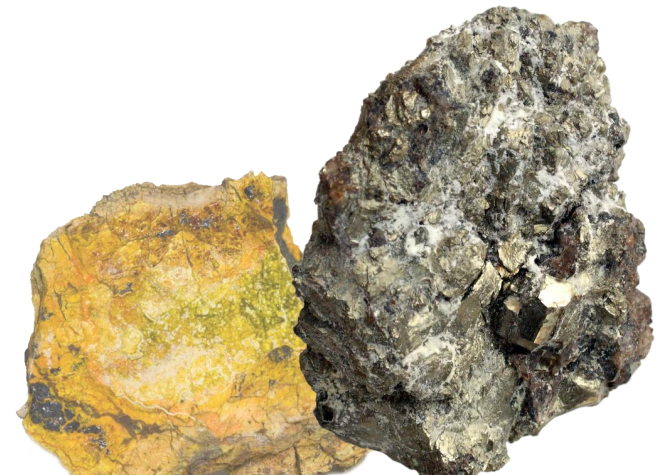
December 2020

Japan

- Japan released its “Green Growth Strategy” on 25 December. The national plan aims to replace new gasoline-powered vehicles with electric cars by the mid-2030s in its effort to become carbon neutral by 2050
- Japan’s electricity demand is forecast to increase by 30-50% by 2050 with a major portion of electricity generation being met with renewable sources supplying 50-60% of the country’s power supply by mid-century up from the current 18%. The government plans to “maximize” the utilization of nuclear power which along with thermal power plants outfitted with carbon capture technology providing 30-40%

Kazakhstan

- On 12 January, the Prime Minister of Kazakhstan, Nurlan Nogayev, announced that 2020 uranium production totaled 50.7 Mlb U_3O_8 which represented a decrease of 8.6 Mlb U_3O_8 (14.5%) from the 2019 output as the country deals with Covid-19 issues as well as implementing its formal uranium production reduction program in response to persistent low uranium prices



Estimated net asset value

On 14 January 2021, the ordinary shares of Yellow Cake closed on the LSE at a price of GBP2.40 per share, which represents a 2.5% discount to net asset value of GBP2.46 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	30.23
U ₃ O ₈ fair value	(A) x (B) = (C)	US\$ m	281.6
Uranium derivative liability as at 30 September 2020	(D)	US\$ m	(3.1)
Cash and other net current assets/(liabilities) as at 30 Sep 2020	(E)	US\$ m	5.9
Cash utilised for share purchases since 30 September 2020	(F)	US\$ m	(1.0)
Net asset value in US\$ m	(C) + (D) + (E) + (F) = (G)	US\$ m	283.3
Exchange Rate	(H)	USD/GBP	1.3691
Net asset value in £ m	(G) / (H) = (I)	£ m	206.9
Number of shares in issue less shares held in treasury	(J)		84,059,331
Net asset value per share	(I) / (J)	£/share	2.46

Source:

(1) Fair value is based on the Broker Average Price published by UxC, LLC on 14 January 2021

(2) Exchange rate of 1.3691 on 14 January 2021

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



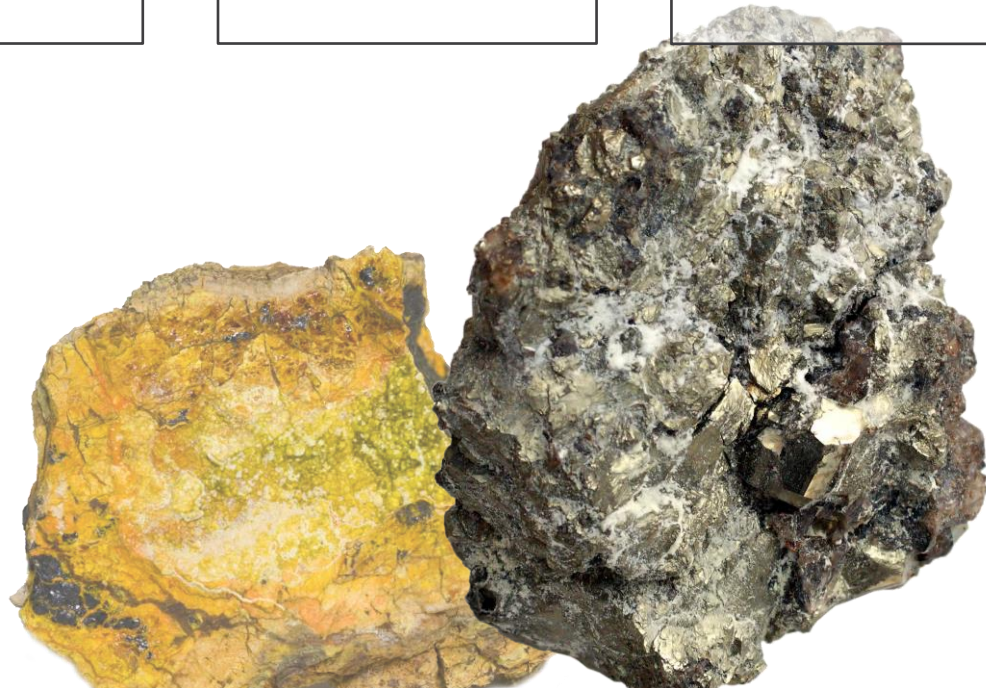
Enrichment

- 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%

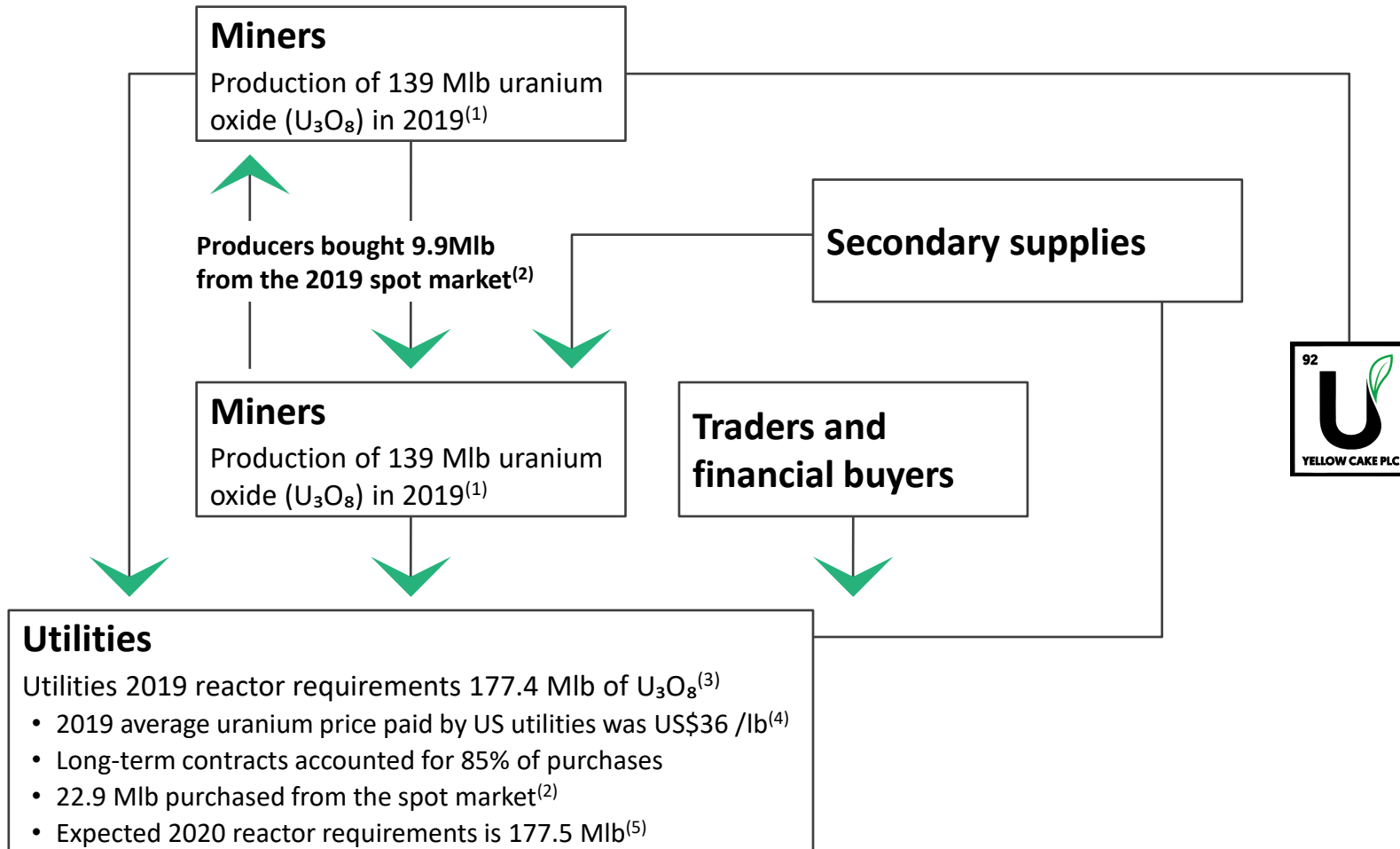


Fuel Fabrication

- 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 2020)

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

(5) World Nuclear Association, World Nuclear Power Reactors & Uranium Requirements (January 2021)

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

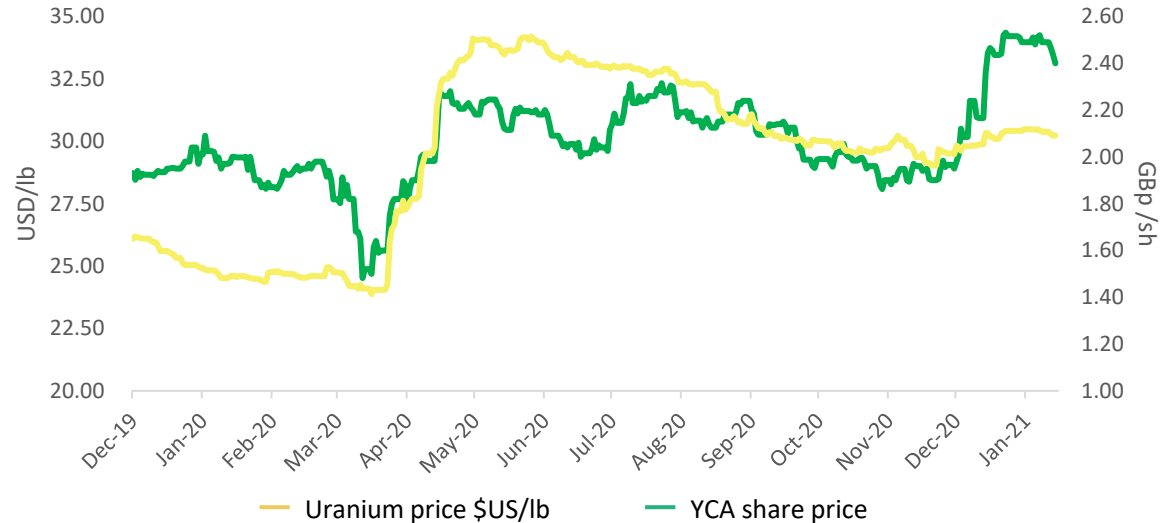
Current total holding of U₃O₈
– 9.32mlb acquired at an average price of US\$21.71 /lb

Yellow Cake corporate summary

Corporate overview

Last share price ⁽¹⁾	£2.40
NAV per share ⁽²⁾	£2.45
Market cap (m) ⁽¹⁾	£202
Shares out. (m)	88.2
Shares held in treasury (m) ⁽¹⁾	4.2
52 week high	£2.58
52 week low	£1.36

GBP share price and uranium price⁽³⁾



Analyst coverage and rating

	Buy
	Buy
	Buy
	Buy

Blue chip shareholder registry

Source:

(1) As at 14 January 2021

(2) Yellow Cake's estimated net asset value on 14 January was £2.46 per share. See calculation on page 5

(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

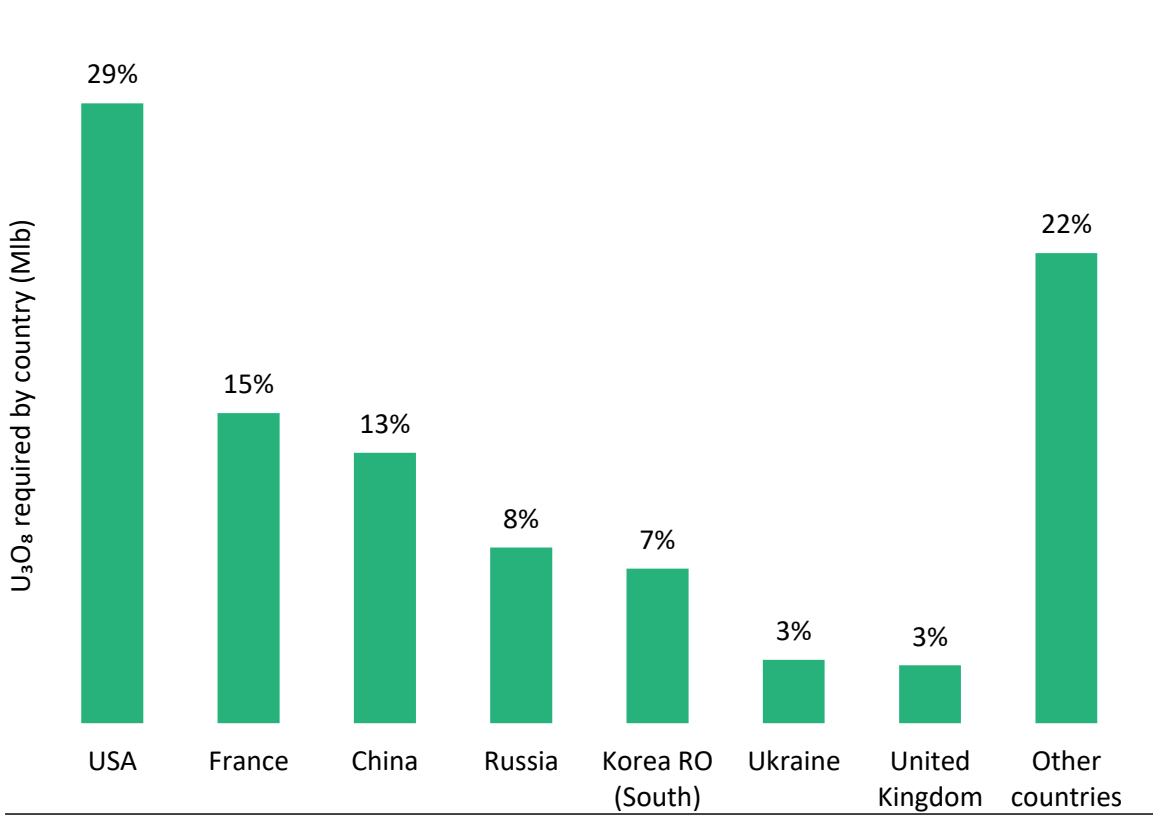
Source:
(1) National Energy Association – 2015. Cost includes both investment cost and O&M, including overnight cost (with contingency) as well as implied IDC, discounted at 7%

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 (January 2021)

Future demand

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

China
 16 reactors under construction, 39 planned

India
 6 reactors under construction, 14 planned

Russia
 2 reactors under construction, 21 planned

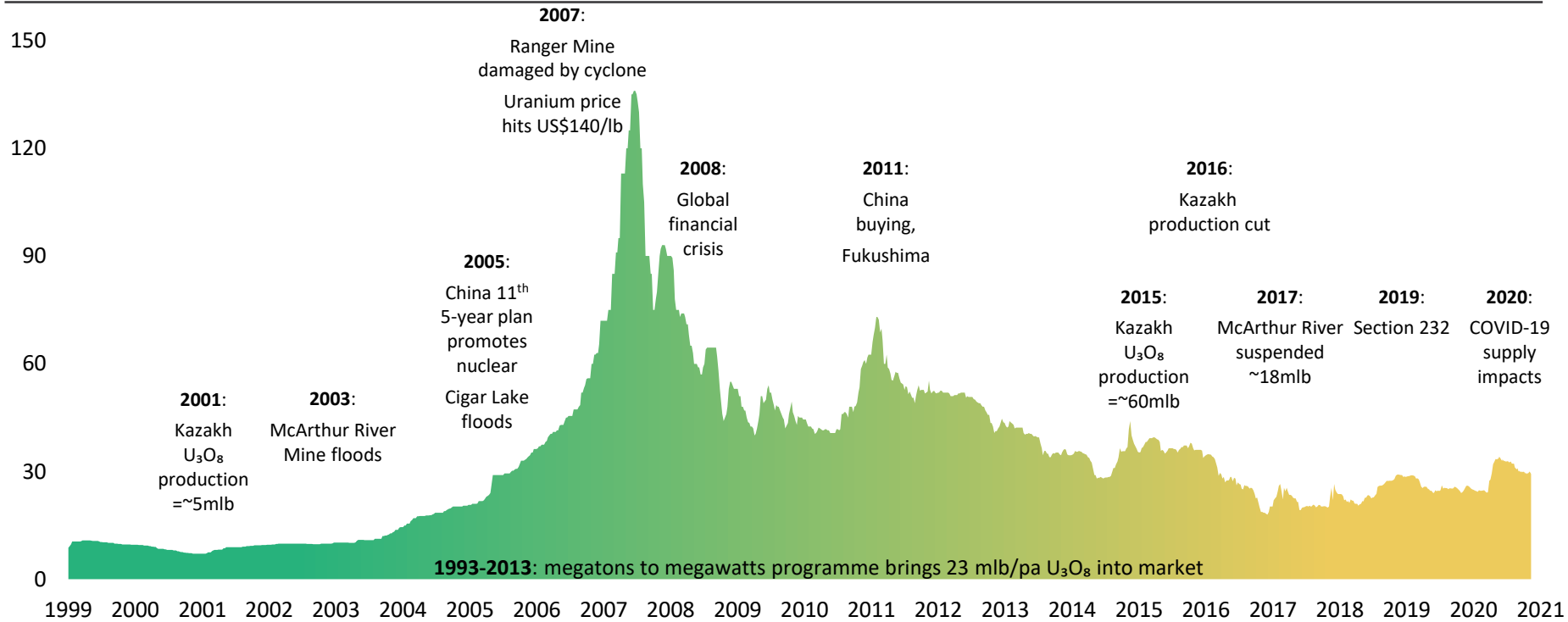
UAE
 3 reactors under construction

Investment in uranium	Operable reactors ⁽¹⁾	Reactors under construction ⁽¹⁾	Planned reactors ⁽¹⁾	Proposed reactors ⁽¹⁾
World Nuclear Reactor Fleet	442	53	98	326
China Reactor Fleet	49	16	39	168

Source
 (1) World Nuclear Association, World Nuclear Power Reactors & Uranium Requirements (January 2021)

Supply – uranium price chart

Historical uranium price⁽¹⁾

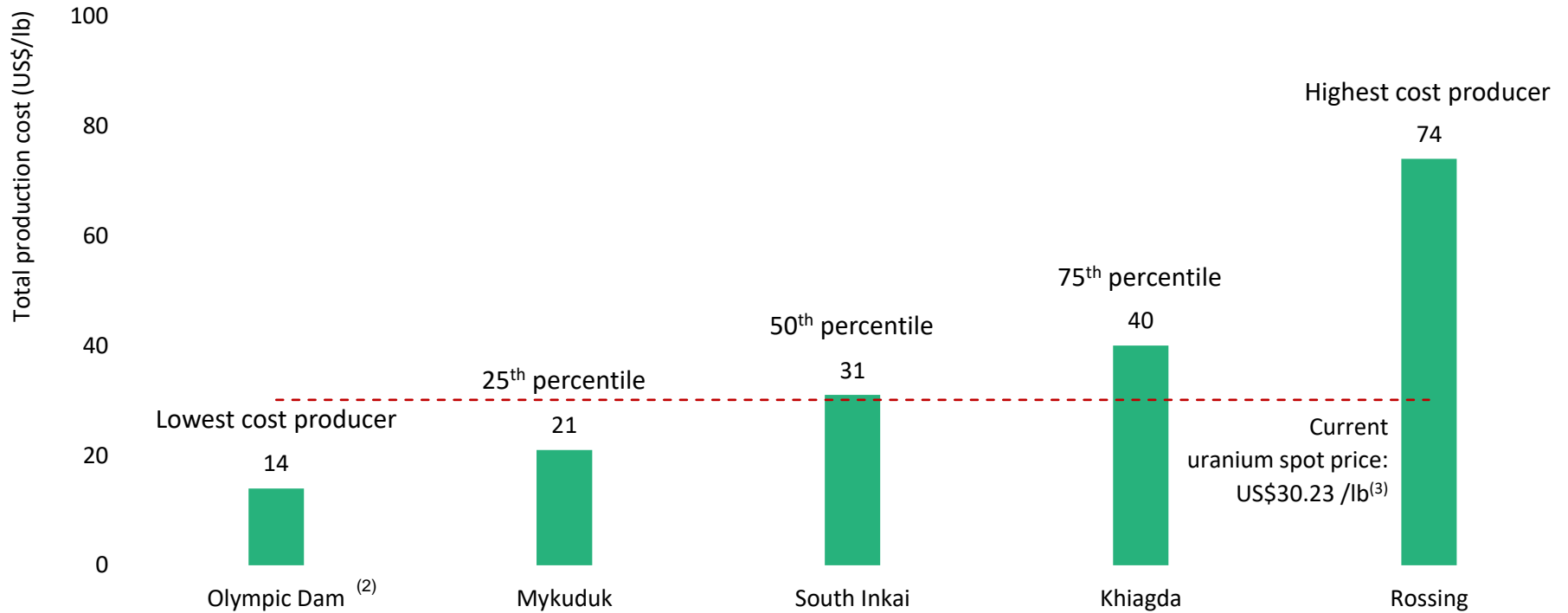


Source
 (1) UxC LLC price January 2021

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 14 January 2021

Global supply cuts

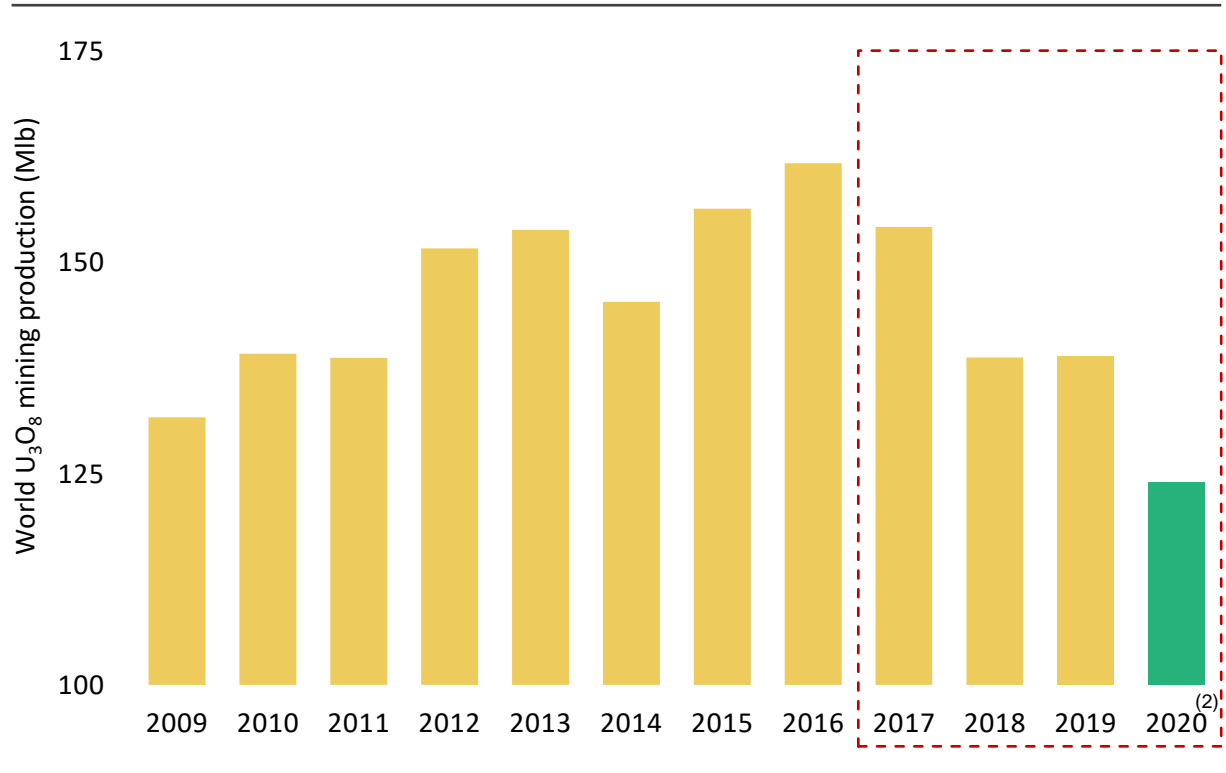
Producers have been taking self-help measures, exacerbated by COVID-19

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

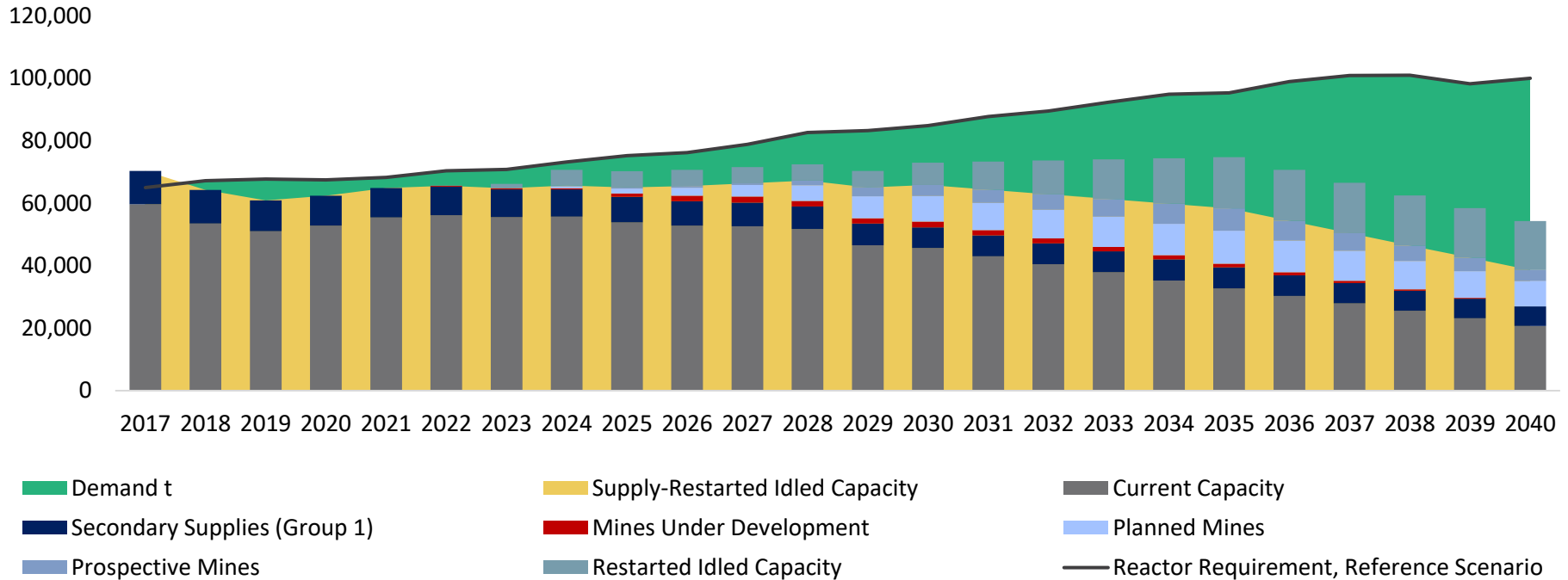
(1) World Nuclear Association, World Uranium Mining Production (August 2019)

(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)

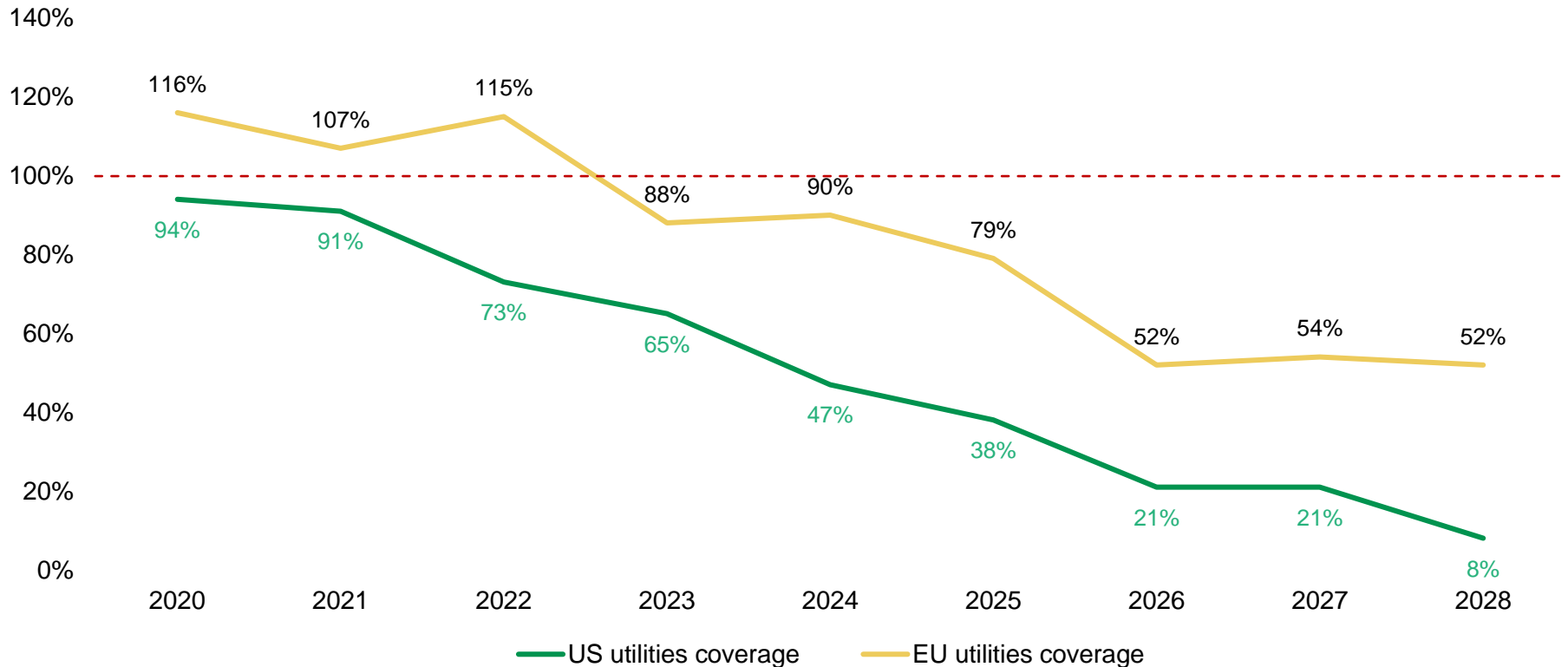


Source
 (1) The Nuclear Fuel Report - Global Scenarios for Demand and Supply Availability 2019-2040 (September 2019)

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

