



PURE EXPOSURE TO THE
URANIUM COMMODITY

INVESTOR
PRESENTATION

July

2021

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Yellow Cake



Strategy

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

Industry Context

Steady uranium demand growth from nuclear reactor build programme

Sustained low uranium prices have led to supply cuts

Additional supply risks due to Covid-19, with utilities set to re-enter market

Restricted investment into new supply sources

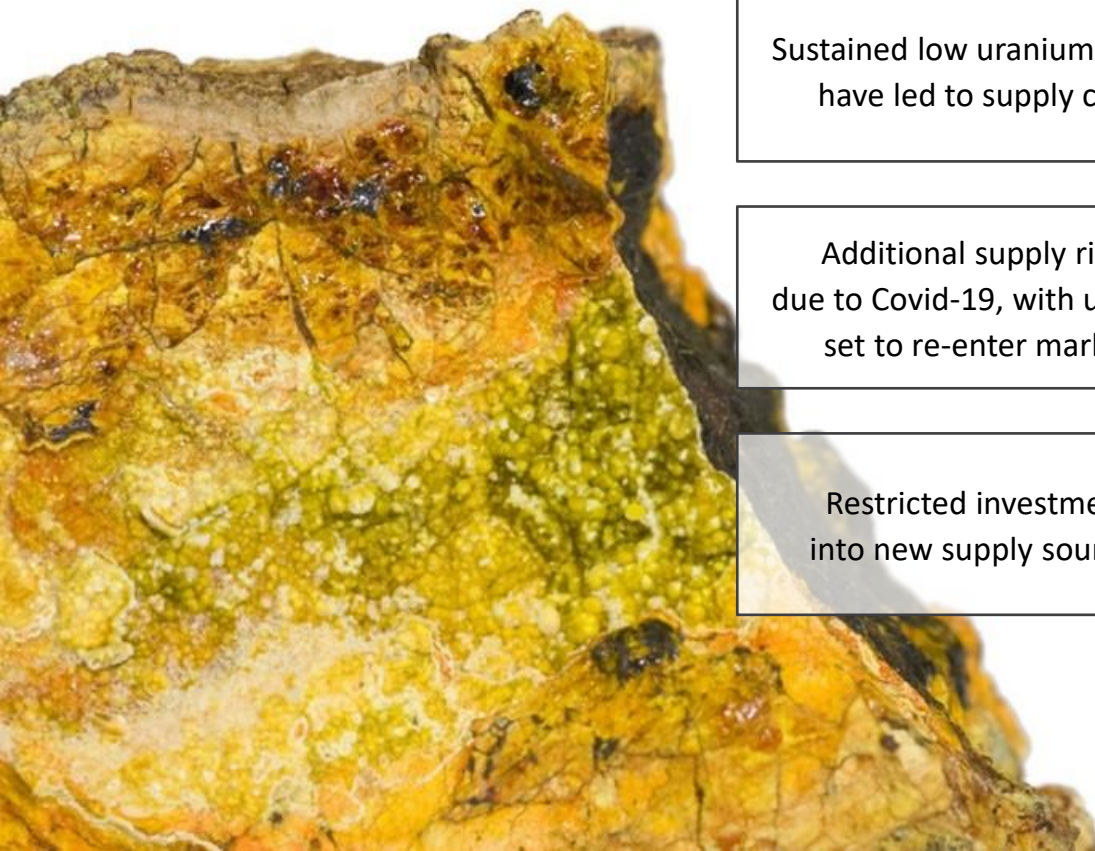
Investment Highlights

Holds physical U_3O_8

No exposure to exploration, development, mining or processing risks

Low-cost structure

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



Uranium market update

June 2021



Spot Market Overview

- Spot market activity declined during the month of June with a total of 4.4 Mlb. transacted, as compared to 6.4 Mlb. the previous month
- The UxC U₃O₈ price strengthened reaching US\$32.10 /lb., an increase of US\$0.70 /lb. for the month
- In early June, the Taishan-1 reactor owned by Guangdong Nuclear Corporation (51%), Electricite de France (30%) and Guangdong Energy Group (19%) reported a build-up of inert radioactive gases in its primary circuit / reactor coolant which lead to a small leak into the environment
- A failure in five fuel rods was cited as the cause of the build-up which remained within operating / regulatory specifications
- The initial uncertainty surrounding the incident caused some spot market buyers to withdraw from the market resulting in a decrease of monthly volume

Term Market Overview

- Activity in the uranium term market increased somewhat as new demand emerged from a U.S. utility seeking slightly more than 1.1 Mlb. for delivery in the period, 2022-2025
- UxC reported that “Other activity continues in the market as several utilities have been in discussions with potential suppliers or evaluating unsolicited offers”
- Despite the incremental uptick in activity, the UxC Long-Term (LT) price remained unchanged at US\$32.00 /lb.

Sprott and UPC

- The proposed plan of arrangement which would transform Uranium Participation Corporation (“UPC”) into a closed end investment trust managed by Sprott Asset Management (SAM) with UPC becoming a subsidiary of the Sprott Physical Uranium Trust (SPUT) received resounding support from UPC shareholders in a 7 July vote
- 99.9% of the votes cast supported the plan which now requires clearance from the Ontario Superior Court of Justice (Commercial List) and other regulatory approvals

Uranium market update

June 2021



Kazatomprom

- In its 2 July announcement, Kazatomprom advised that uranium production during 2023 would remain at the planned 2022 level of 22,500-23,000 tU (58.5-59.8 million lbs.) which is approximately 20% below the planned production rate under the Subsoil Use Contracts (27,500-28,00 tU; 71.5-72.8 Mlb.)
- Full implementation of the production restraint plan would remove 5000 tU (13.0 Mlb.) from the previously anticipated global primary supply in 2023
- Kazatomprom's CEO, Galymzhan Pirmatov, stated that while the uranium market is showing some improvement including an increase in long-term contracting interest, an increasingly thin spot market with slightly improved pricing
 - *"We find ourselves in a position where adding tonnes back into the market in 2023 would be unlikely to maximize returns to our shareholders" and further more, "the Company does not expect to return to full Subsoil Use Contract production levels until a sustained market recovery is evident, supply and demand conditions signal a need for more uranium, and the Company's pipeline of mid-to-long-term contract negotiations implies that there is a low risk of produced volumes further delaying the recovery."*

Estimated net asset value

On 12 July 2021, the ordinary shares of Yellow Cake closed on the LSE at a value of GBP 2.68 per share, which represents a 7% premium to the net asset value of GBP 2.50 per share.

Investment in Uranium		Units	
Uranium oxide in concentrates (“U ₃ O ₈ ”) ⁽¹⁾	(A)	lb	13,305,601
U ₃ O ₈ fair value per pound ⁽²⁾	(B)	US\$/lb	32.35
U ₃ O ₈ fair value ⁽²⁾	(A) x (B) = (C)	US\$ mm	430.4
Uranium derivative liability ⁽³⁾	(D)	US\$ mm	(3.4)
Cash and other net current assets/(liabilities) ⁽⁴⁾	(E)	US\$ mm	106.7
Net asset value in US\$ mm	(C) + (D) + (E) = (F)	US\$ mm	533.8
Exchange Rate	(G)	USD/GBP	1.3894
Net asset value in £ mm	(F) / (G) = (H)	£ mm	384.2
Number of shares in issue less shares held in treasury	(I)		153,584,345
Net asset value per share	(H) / (I)	£/share	2.50

Source:

1) As at 31 March 2021, Yellow Cake held 9,856,385 lb U₃O₈. Adjustments for purchases completed after 31 March 2021 include the addition of 3,454,231 lb U₃O₈ that Yellow Cake purchased from Kazatomprom for a cash consideration of USD100.0 million (delivered on 21 June 2021), the addition of 343,053 lb U₃O₈ which Yellow Cake purchased in the market for a cash consideration of USD10.0 million (completed on 20 May 2021) and the deduction of 348,068 lb U₃O₈ which Yellow Cake sold to Uranium Royalty Corp. for a cash consideration of USD10.0 million (completed on 28 April 2021).

2) Fair value is based on the Weekly Price published by UxC, LLC on 12 July 2021






3) Uranium derivative liability as at 31 March 2021

4) Includes cash of USD126.2 million and other net current assets and liabilities of USD3.5 million as at 31 March 2021, less net consideration paid for net purchases of USD100.0 million completed after 31 March 2021, plus net proceeds of the share placing on 21 June 2021 of USD84.0 million



Yellow Cake corporate summary

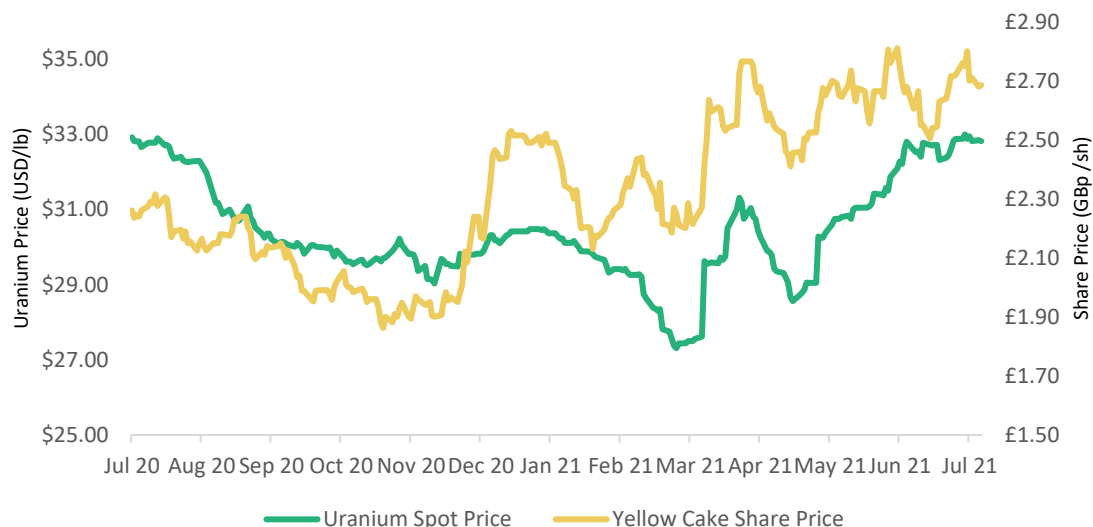
Corporate overview	
Last share price ⁽¹⁾	£2.59
NAV per share ⁽²⁾	£2.50
Market cap (mm) ⁽¹⁾	£397
Shares out. (mm)	153.6
Shares held in treasury (mm) ⁽¹⁾	4.2
52 week high	£2.91
52 week low	£1.84

Analyst coverage and rating	
	Buy
	Buy
	Buy
	Buy
	Buy

Source:

- 1) Cap IQ on 19 July update COB
- 2) Yellow Cake's estimated net asset value on 12 July. See calculation on page 5
- 3) UxC LLC July 2021

GBP share price and uranium price^(1,3)



Blue chip shareholder registry



Strategic relationship with Kazatomprom allows for value accretive growth



Option Agreement with Kazatomprom, the world's largest and lowest cost producer⁽¹⁾

- 10-year Framework Agreement with Kazatomprom
- Yellow Cake has the right to purchase up to US\$100m of U_3O_8 annually
- Term of the option agreement extends from 2019 to 2027
- Purchase price is locked in based on the prevailing spot price at the time of purchase
- The Company can also source uranium from any other supplier if advantageous

Source:

1) World Nuclear Association, Uranium and Nuclear Power in Kazakhstan (February 2021)



2020 was a transition year for the uranium market

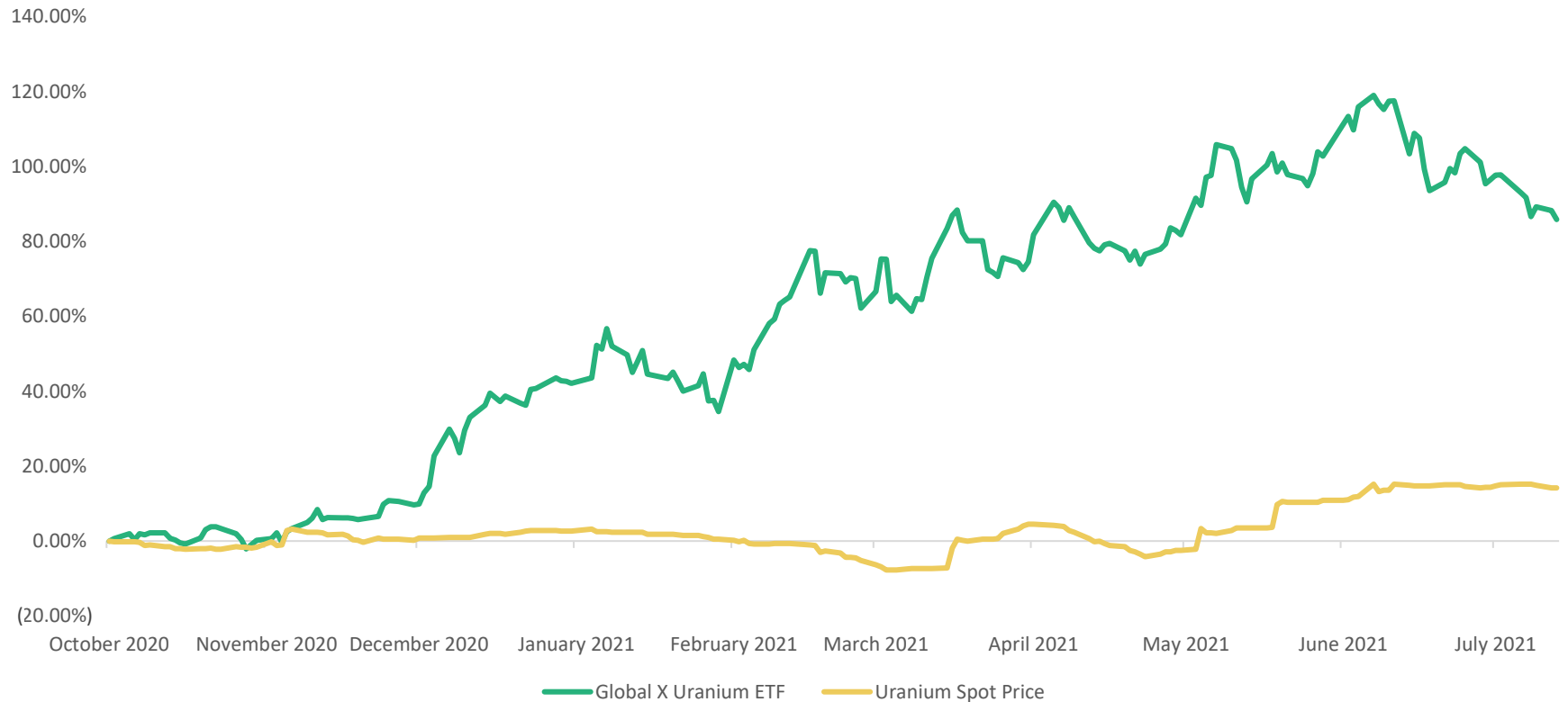
Uranium market impacts

- COVID-19 pandemic highlighted the supply side vulnerability
- Nuclear energy demonstrated its resilience as a reliable, low-cost electricity supply source
- US policy issues overhanging the market were resolved
- A number of countries committed to carbon neutrality and included nuclear power in policy statements

Investor interest in uranium equities increased significantly since Q4 2020



Uranium Equities Performance – LTM⁽¹⁾ – Global X Uranium ETF v Uranium spot price



Source:

1) Cap IQ, July 2021

Yellow Cake raises c.\$226 m in H1-2021 on the back of strong investor demand



June 2021 – US\$88.1m Equity Raise

- Issued 25 million new ordinary shares at a price of £2.50 per share
- Raised gross proceeds of approximately £62.5 million (approximately US\$88.1 million)
- Proceeds will be used to acquire:
 - 2 Mlb. U₃O₈ from Kazatomprom at a price of US\$32.23 /lb
 - a further 550 klb in the spot market

February 2021 – US\$138m Equity Raise

- Equity raise upsized to c.\$138 m from \$110m due to strong investor demand
- Yellow Cake able to fully exercise its 2021 Kazatomprom option of \$100m at a uranium price of \$28.95/lb
- Strong support from retail shareholders, US\$5m raised from 380 retail investors via Primary Bid
- Yellow Cake made additional spot market purchases:
 - March – Purchased 540,000 lb for US\$15m
 - May – Purchased 343,053 lb for US\$10m
- Uranium Royalty Corporation exercised its option to acquire from Yellow Cake 348,068 lb U₃O₈ for a cash consideration of US\$10.0m in April 2021

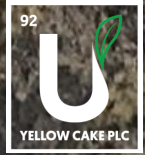
Yellow Cake has seen a significant increase in average trading volumes since February 2021



- Yellow Cake has seen an increase in average trading volumes both on an absolute and relative basis over the past 12 months
- The share value traded as a percentage of market capitalisation has steadily increased over the period, from 0.2% at the end of June 2020 to 0.8% in June 2021
- Main drivers for the increase are:
 - Increased number of shares on issue and increased market capitalisation
 - Increased retail volume
 - Significant improvements in the uranium market sentiment



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 baseload 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%

Future demand

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

<p>China</p> <p>17 reactors under construction, 38 planned</p>	<p>India</p> <p>6 reactors under construction, 14 planned</p>	<p>Russia</p> <p>2 reactors under construction, 25 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	443	54	100	325
China Reactor Fleet	51	17	38	168

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

Increasing commitments to carbon neutrality includes nuclear



Commitments to carbon neutrality⁽¹⁾

- Canada – 2050
- China – 2060
- European Union – 2050
- France – 2050
- Japan – 2050
- United Kingdom – 2050
- U.S.A. – 2050

Carbon Free Energy Initiatives

- United States of America officially re-joined the Paris Agreement
- The proposed “American Jobs Plan,” (proposed to be budgeted at US\$2.25 trillion) would incentivise clean electricity from nuclear reactors
- European Commission’s, Joint Research Centre (JRC) draft report concluded that nuclear energy does not harm the European Green Deal sustainability objectives⁽²⁾

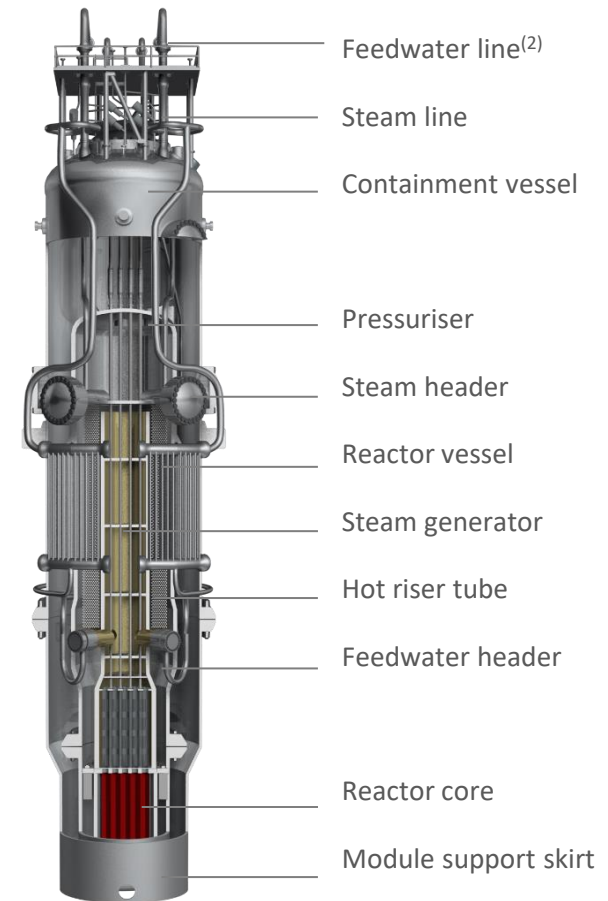
Source:

1) Carbon Neutrality by 2050: the World’s Most Urgent Mission

2) Technical assessment of nuclear energy with respect to the ‘do no significant harm’ criteria of Regulation (EU) 2020/852 (‘Taxonomy Regulation’)

Growing interest in small Modular Reactors

- SMR's generate up to 300MW of electricity and are more flexible and more affordable than large reactors⁽¹⁾
- SMR's are ideal for smaller grids and remote locations
- Across 9 countries there are currently 4 SMR's operating, 3 SMR's under construction and 14 SMR's that are well developed nearing deployment⁽³⁾
- Significant investment is going into SMR's from national governments such as the US, Canada, China and the UK as well as from global companies⁽³⁾



Source:

1) IAEA – Economic Appraisal of Small Modular Reactor (SMR) Projects: Methodologies and Applications (I12007)

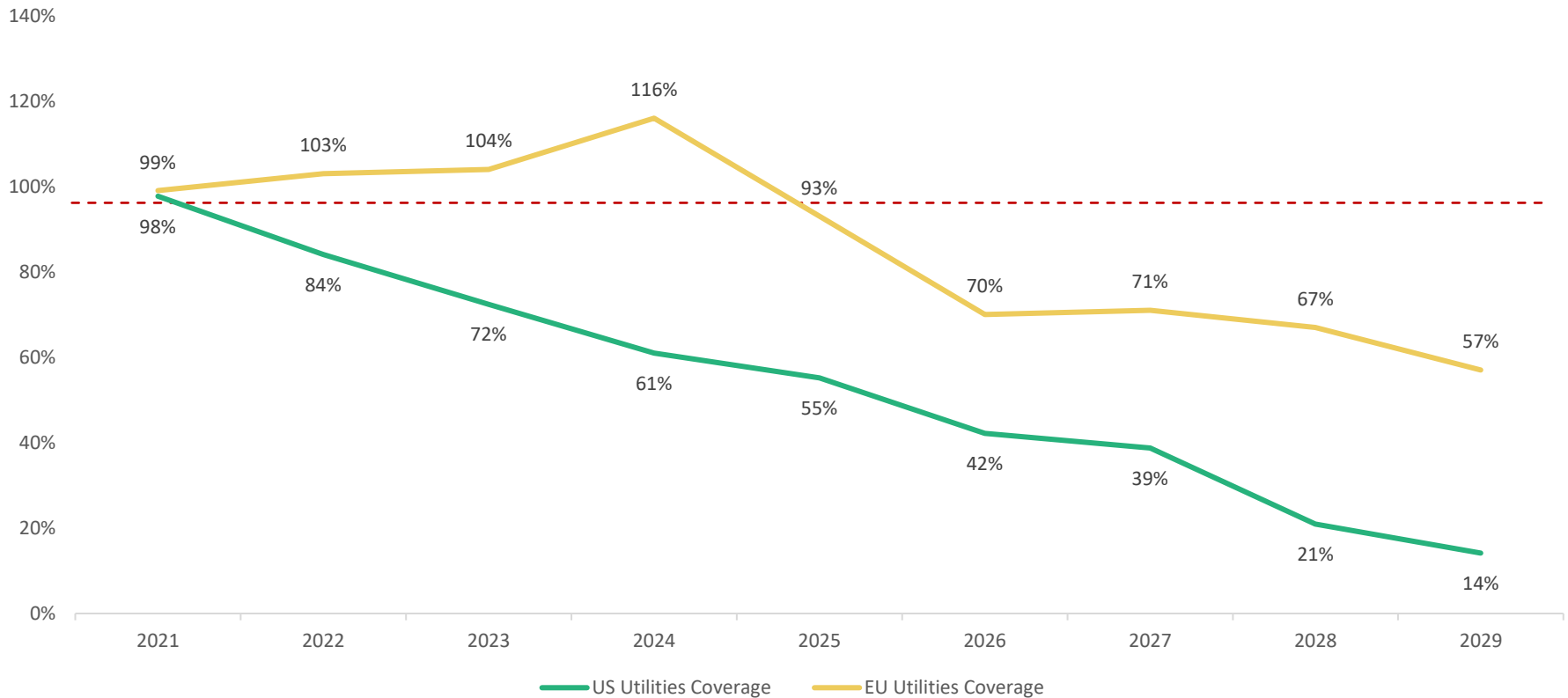
2) Nuscale

3) WNA, Small Nuclear Reactors October 2020

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



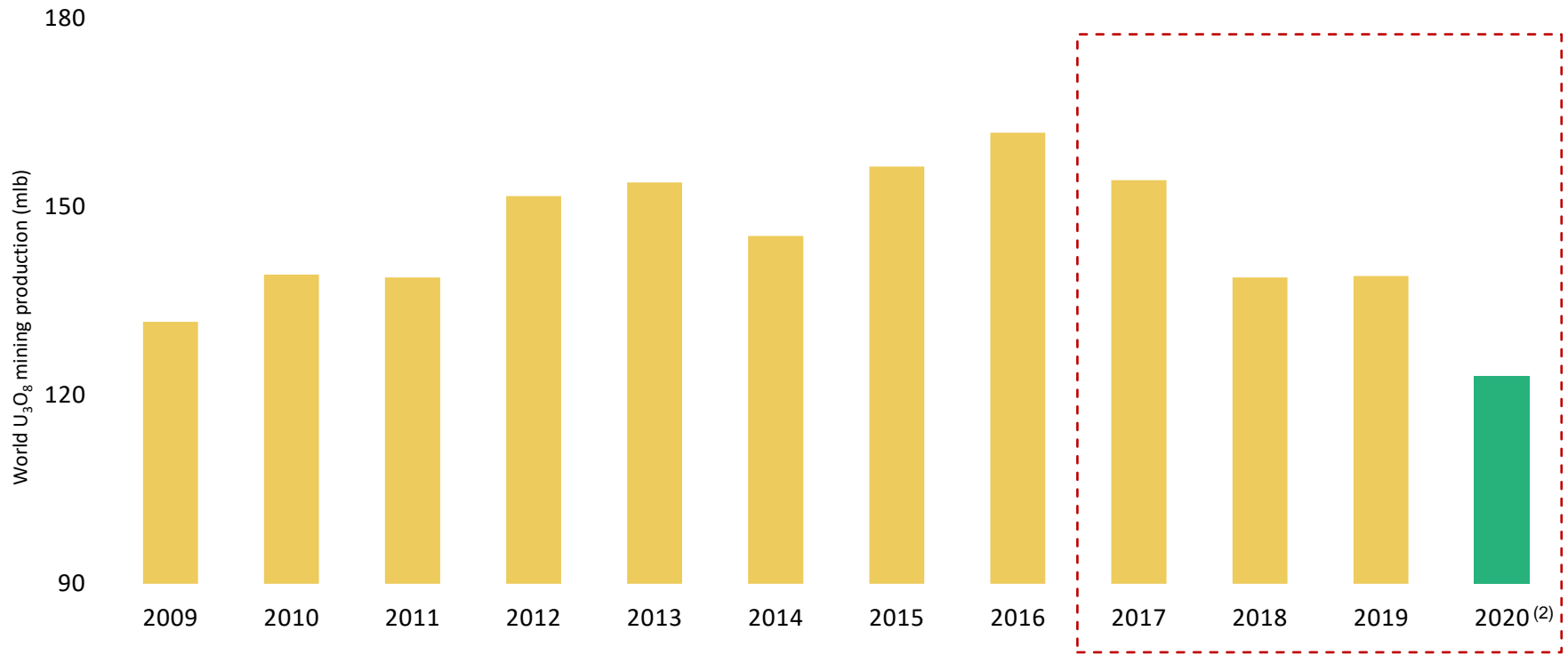
Source

- 1) US Energy Information Administration: Maximum anticipated uranium market requirements of owners and operators of U.S. civilian nuclear power reactors, 2021–2030, at end of 2020 (May 2021, Table 12)
- 2) Euratom Supply Agency Annual Report 2020 (2021)

Global supply cuts

Producers have made significant production cuts, exacerbated by COVID-19

Production cuts seen from 2016⁽¹⁾



Source

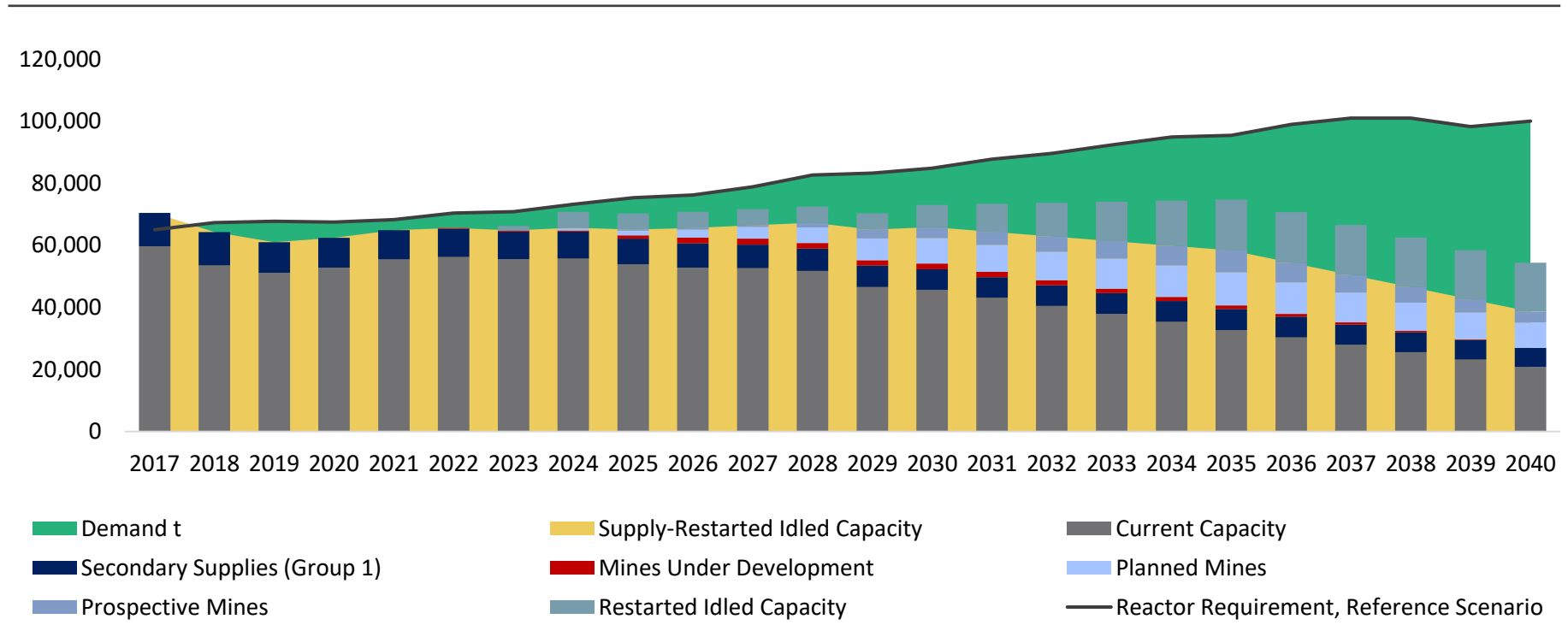
1) World Nuclear Association, World Uranium Mining Production (August 2019)

2) UxC LLC – “Uranium Market Outlook Q4 December” 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)