ANNUAL REPORT 2021

for the year ended 31 March 2021

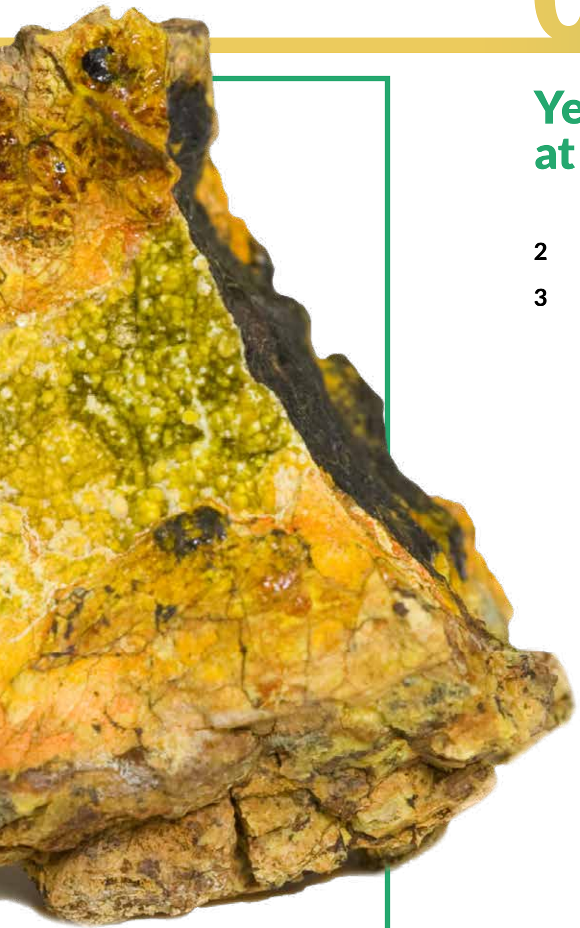
YELLOW CAKE PLC

What is yellowcake?

Yellowcake is a solid form of mixed uranium oxide that is generally yellow in colour. It is produced from uranium ore from mining or in-situ leaching.

Yellowcake is shipped from the mine and processed at licensed facilities for conversion, enrichment and fabrication into nuclear fuel.

CONTENTS



01 Yellow Cake at a glance

02 Strategic report

03 Governance

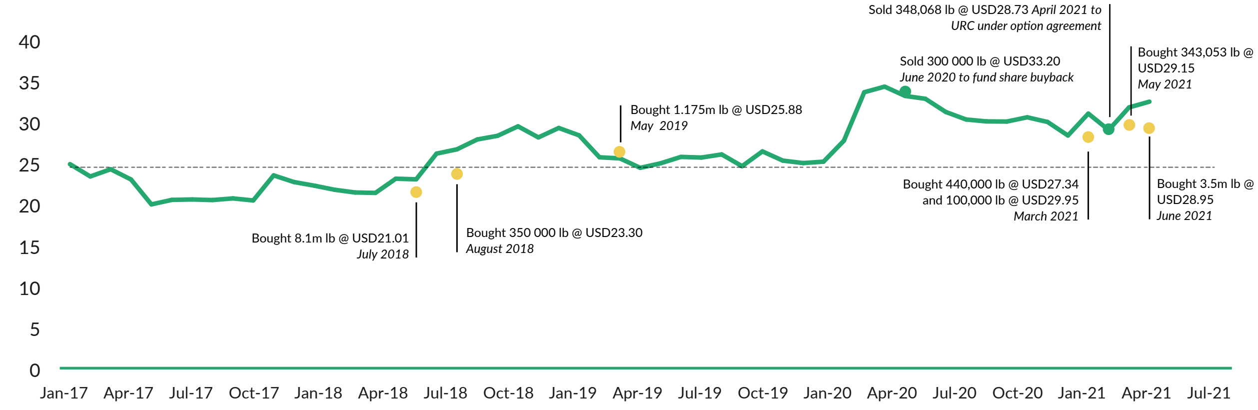
04 Financial statements

** Yellowcake photography contained within this report is courtesy of Kazatomprom.*

YELLOW CAKE AT A GLANCE

Yellow Cake plc is a London-quoted company that provides investors with direct exposure to the uranium market through our physical holding of uranium oxide concentrate (U_3O_8).

U_3O_8 PRICE (USD/lb)



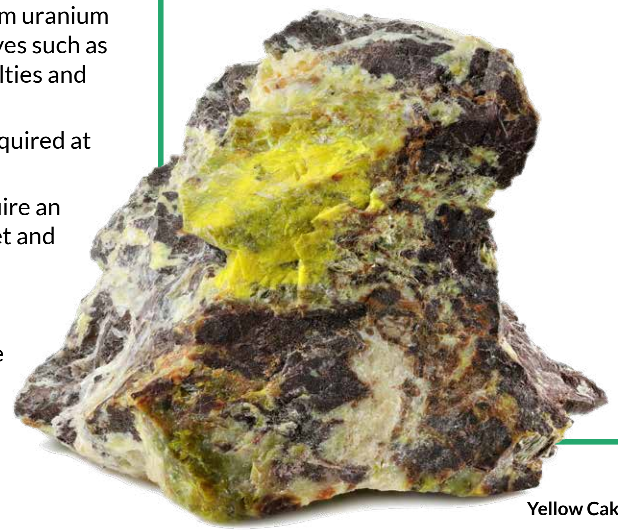
- Yellow Cake plc was established to create an opportunity for investors to profit from an anticipated rise in the uranium price arising from the short- and medium-term supply and demand asymmetry.
- COVID-19 has disproportionately affected uranium supply with limited impact on demand and nuclear utilities are expected to re-enter the contract market.
- The Company's long-term Framework Agreement for supply of U_3O_8 with Kazatomprom, the world's largest uranium producer, enables Yellow Cake plc to access up to USD100 million of uranium annually from Kazatomprom at the prevailing spot price until 2027.
- The Company's low-cost outsourced business model provides access to corporate functions and industry expertise while minimising cost leakage.
- We also aim to exploit opportunities arising from uranium ownership and uranium-based financial initiatives such as commodity location swaps, streaming and royalties and believe we are well positioned to do so.
- Yellow Cake plc holds 13.3 million lb of U_3O_8 acquired at an average cost of USD24.05/lb.
- Yellow Cake has concluded agreements to acquire an additional 550,000 lb of U_3O_8 in the spot market and expects to conclude an agreement with Kazatomprom to purchase a further 2.0 million lb of U_3O_8 for delivery later in 2021. If completed, these uranium purchases will take the Company's total holding to almost 16 million lb of U_3O_8.

KEY POINTS

London-quoted on AIM

Headquarters in
Jersey

13.3 million lb
of U_3O_8 held, acquired at an average cost of USD24.05/lb



INVESTMENT CASE

Offers investors exposure to the uranium spot price without the operating risks associated with exploration, development, mining or processing.

Positioned to benefit from ongoing supply-side constraints and increasing nuclear energy demand.

Strong board and management.

Creates liquidity for investors in a traditionally illiquid commodity.

Low-cost outsourced business model.

Long-term Framework Agreement for the supply of U_3O_8 with Kazatomprom, the world's largest uranium producer.

HIGHLIGHTS

Profit after tax of

USD29.9 million

for the year ended 31 March 2021 (2020: USD12.5 million)

Holding of

13.3 million lb

of U_3O_8 (including post year-end purchases) acquired at an average cost of USD24.05/lb

Raised

GBP62.5 million

(USD86.9 million) post year end through a placing of shares in June 2021, the proceeds of which are partly being applied to acquire a further 550,000 lb of U_3O_8 in the spot market at an average price of USD 32.35/lb for delivery later in 2021. The Company also expects to conclude an agreement with Kazatomprom to purchase a further 2.0 million lb of U_3O_8 at a price of USD32.23/lb

The value of the Company's holding of 9.86 million lb of U_3O_8 has increased

39%

to USD302.1[4] million as at 31 March 2021 relative to the average acquisition cost of USD217.3 million (USD22.05/lb)

Raised

GBP99.3 million

(USD138.5 million) through a placing of shares in March 2021 and applied the proceeds to acquire 0.5 million lb of U_3O_8 during the financial year and an additional net 3.4 million lb of U_3O_8 post year end[1]

Buyback of

4,156,385

ordinary shares in the Company (now held in treasury) between January 2020 and October 2020 for a total consideration of USD11.5 million (GBP8.9 million) at a volume weighted average price of GBP2.13 per share (USD2.75 per share) in a share buyback scheme. The shares were acquired at a volume weighted average discount to net asset value of 21%, effectively acquiring exposure to uranium at a discount to the commodity spot price

Net asset value of

USD421.4 million

(GBP2.38 per share[3])

as at 31 March 2021
(2020: USD267.1 million (GBP2.45 per share))

Continued improvement in the market for U_3O_8, with the spot price increasing

12%

from USD27.40/lb on 31 March 2020 to USD30.65/lb[2] on 31 March 2021

After year end, the U_3O_8 spot price continued to rise, increasing to USD32.35/lb on 12 July 2021, and the value of the Company's U_3O_8 holding increased a further

42%

to USD430.4 million[5]

1 *During the financial year, Yellow Cake purchased 540,000 lb of U_3O_8 for a cash consideration of USD15.0 million and committed to purchase 3,454,231 lb of U_3O_8 from Kazatomprom for a cash consideration of USD100.000 million and took delivery of the uranium on 21 June 2021. During the financial year, Yellow Cake also committed to sell 348,068 lb of U_3O_8 to Uranium Royalty Corp. for a cash consideration of USD10.0 million. The Uranium Royalty Corp. transaction completed on 28 April 2021. On 20 May 2021 Yellow Cake completed the purchase of 343,053 lb of U_3O_8 in the market for a cash consideration of USD10.0 million.*

2 *Based on the month end spot price of USD30.65/lb published by UxC LLC on 29 March 2021.*

3 *Net asset value per share on 31 March 2021 is calculated assuming 132,740,730 ordinary shares in issue less 4,156,385 shares held in treasury, the Bank of England's daily USD/GBP exchange rate of 1.3796 on 31 March 2021 and the month-end spot price published by UxC LLC on 29 March 2021.*

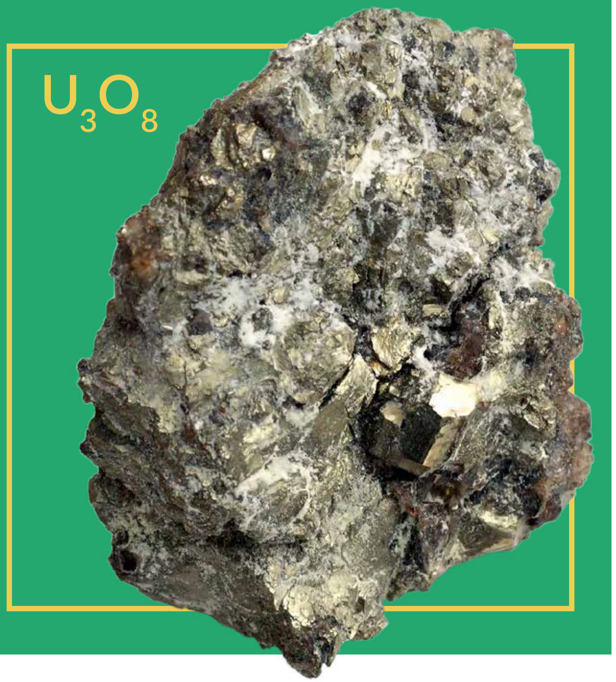
4 *Based on 9.86 million lb of U_3O_8 held on 31 March 2021 and excludes net additional post year-end purchases of 3.45 million lb of U_3O_8.*

5 *Based on the weekly spot price published by UxC LLC on 12 July 2021 and 13,305,601 lb of U_3O_8 held by the Company on that date.*

WHAT WE DO

Yellow Cake plc (the "Company") is a London-quoted company on AIM, headquartered and incorporated in Jersey, established in 2018 to provide investors with exposure to the uranium commodity at a time when the supply/demand fundamentals strongly suggested a resurgence in uranium prices.

As at 18 July 2021, the Company owned 13.3 million lb of U_3O_8 which was stored at licenced conversion facilities at Cameco's Port Hope/Blind River facility in Ontario, Canada, and Orano Cycle's Malvési/Tricastin storage facility in France.



Yellow Cake's ten-year Framework Agreement with Kazatomprom, the world's largest uranium producer and one of the world's lowest cost uranium producers, enables Yellow Cake to access U_3O_8 at an undisturbed spot price. The agreement confers the right to purchase up to USD100 million of U_3O_8 each year from Kazatomprom to 2027 at a price to be agreed before the purchase is announced to the market so that the purchase price is not disturbed by market anticipation of a significant uranium purchase.

The Company's business model minimises cost leakage by outsourcing administrative services and securing access to industry knowledge and expertise. This includes a services contract with 308 Services Limited and competitive storage contracts with licensed converters.

CHAIRMAN'S STATEMENT

"COVID-19 had a significant impact across the full uranium production cycle, highlighting the concentrated nature of uranium supply, while global demand remained relatively unaffected due to nuclear's role as a reliable and consistent baseload energy source. This resulted in a steady increase in the price of uranium during the year, in line with our investment thesis."

The Lord St John of Bletso

Yellow Cake was established to provide investors with long-term exposure to the uranium spot price through a liquid and publicly-quoted vehicle. Our long-term partnership with Kazatomprom is a key strategic advantage that provides access to material volumes of uranium at the prevailing market price. The Company's strict governance structures, practices and policies provide assurance to investors and the low-cost outsourced business model minimises cost leakage and risk exposure as we do not participate in the uranium production chain.

The resilience of Yellow Cake's business model was evident in the year under review with minimal direct impact of the COVID-19 pandemic on the Company. Yellow Cake's two employees (the CEO and CFO) perform their duties remotely and the Company has no operating assets and a balance sheet with no leverage. Working capital is maintained at a level that provides sufficient liquidity and resources to cover an extended period of operation.

However, the pandemic had a significant impact across the full uranium production cycle, from exploration to development, mining and processing, highlighting the concentrated nature of uranium supply. Production was significantly curtailed as a result of the initial lockdowns as well as the second closure at a key producer later in the year due to resurgences in COVID-19 infection rates.

The equity market has warmed to the uranium story during the second half of our financial year and uranium equities are up significantly. A number of junior/developer companies have been able to raise equity from a very supportive equity market.

NUCLEAR ENERGY HAS AN IMPORTANT ROLE IN A LOW CARBON FUTURE

With the increasing focus on the urgent need to address climate change, nuclear energy's role in a low-carbon future is becoming more widely accepted by governments around the world. The recently released report from the European Commission's Joint Research Centre[6] concluded that the environmental and social impacts of nuclear energy over its full lifecycle are comparable with hydropower and other forms of renewable energy. Nuclear energy has proven to be an excellent complement to renewables and currently provides around 55% of the US's carbon-free electricity and 53% of the European Union's carbon-free electricity[7]. In the world's most populous and fastest growing nations, China and India, which rely heavily on coal-fired electricity plants, nuclear energy currently comprises less than 15% of carbon-free electricity[8].

While Yellow Cake's direct social and environmental impact is not significant, the Board recognises that long-term value can only be created by taking an approach that looks beyond financial performance to consider the Company's broader environmental, social and governance (ESG) performance. The Company conducts the necessary due diligence on suppliers and business partners to ensure that they share our commitment to responsible business practices and Yellow Cake has a zero-tolerance approach to bribery, corruption and unethical practices.

[6] *European Commission Joint Research Centre, Technical assessment of nuclear energy with respect to the 'do no significant harm' criteria of Regulation (EU) 2020/852 ('Taxonomy Regulation'), European Commission Joint Research Centre*

[7] *World Nuclear Association: The Nuclear Fuel Report 2019*

[8] *International Energy Agency: www.iea.org/countries*

SUPPLY IS CONSTRAINED WHILE DEMAND LOOKS SET TO GROW

While the COVID-19 pandemic affected activity and energy use in all countries, nuclear energy proved to be a resilient electricity source. Nuclear's role as a low-cost and non-carbon energy source is likely to grow as energy intensity increases. Additions to the current global reactor fleet forecast strong growth in nuclear electricity generation from facilities currently under construction (+15%), planned (+27%) and proposed (+90%)[9]. Net of old plants retired, total reactors are forecast to grow by 30% to 2040. Significant investments are being made in advanced reactor technologies including small modular reactors that can reduce capital costs, shorten construction times, increase safety and broaden acceptance.

Beyond the short-term disruption caused by the pandemic, the sustained underinvestment in future uranium supply and concentration of production suggests continued supply constraints in the medium to long term.

This asymmetry in uranium supply and demand was the fundamental principle upon which Yellow Cake was established. Although the uranium spot price improved over the last twelve months, it remains well below the price required to support profitable investment in developing new resources. The recent strong run in uranium stocks suggests that these trends are becoming evident to a broader audience. With the policy uncertainty that affected long-term contracting for uranium supply largely resolved over the last twelve months, the return of nuclear utilities to the long-term contracting market could be the catalyst to the necessary recovery in the uranium price.

[9] *World Nuclear Association, World Nuclear Power Reactors and Uranium Requirements (May 2021)*

INCREASING HOLDINGS OF U_3O_8

In early March 2021, the Company placed 44.5 million new ordinary shares, the proceeds of which were used to purchase a net 4.0 million lb of U_3O_8, during the financial year and after year end, at an average cost of USD28.83/lb during a pullback in the uranium price. We were pleased with the strong reception that the share placement received from both institutional and retail investors, which resulted in the placement increasing to circa USD140 million from the USD110 million originally proposed. This enabled the Company to not only acquire the full USD100 million U_3O_8 allotment in terms of the Kazatomprom Framework Agreement but also to acquire a further net 534,985 lb in the spot market.

We are pleased to report that at 31 March 2021 Yellow Cake's share price closed at a 15% premium to net asset value and the share price ended 45% up for the financial year. The share buyback programme implemented in January 2020 and extended in June was instrumental in this regard and proved to be an effective way to increase shareholders' exposure to U_3O_8 at a discount to the commodity spot price. The programme was financed by the disposal of 300,000 lb of U_3O_8 in June 2020 and, at its conclusion in October 2020, a total of USD11.5 million in value had been returned to shareholders through the programme.

The Company held a General Meeting on 10 June 2021 at which shareholders approved the renewal of the Board's authorities to allot up to 25 million new ordinary shares prior to the Annual General Meeting in September 2021. This was necessary to ensure that Yellow Cake remained in a position to act opportunistically should new uranium purchase opportunities present themselves prior to the meeting, as the shares issued during the year had almost fully utilised the authorities obtained at the 2020 Annual General Meeting.

CHAIRMAN'S STATEMENT CONTINUED

On 21 June 2021, the Company fully utilised this authority and placed 25 million new ordinary shares. In July 2021, the Company concluded agreements to purchase a further 550,000 lb of U_3O_8 in the spot market at an average price of USD32.35/lb for a total consideration of USD17.8 million. The Company expects to conclude an agreement with Kazatomprom to purchase a further 2.0 million lb of U_3O_8 at a price of USD32.23/lb for a total consideration of USD64.5 million, pursuant to Kazatomprom's offer of 12 June 2021. The purchase transactions and the proposed purchase transaction are expected to complete later in 2021. The completion of these uranium purchases will take the Company's total holding to almost 16 million lb of U_3O_8, which represents over 10% of current annual global uranium mine production.

GOVERNANCE

Yellow Cake's Board of Directors is committed to maintaining high ethical standards as reflected in our governance framework and Code of Conduct. The Code of Conduct sets the operational and performance requirements for Yellow Cake's employees, directors, business partners, contractors and advisers, and promotes the Company's key values of dignity, diversity, business integrity, compliance and accountability.

Yellow Cake has applied the principles and provisions of the UK Corporate Governance Code 2018 (the "Code") to the degree appropriate to the size and nature of its business. The small scale and simplicity of the organisation reduces the number of points of interface, improves communication and enhances governance and oversight. Compliance policies are regularly reviewed and updated to ensure continued alignment with the latest developments in corporate governance requirements and guidelines. Effective policies and measures are in place to prevent the opportunity for bribery or inducements, and a whistleblowing policy is in place.

The Board plays an active role in overseeing the Company's activities and met 14 times during the year to 31 March 2021. Meetings were also held by the Audit, Remuneration and Nomination Committees during the period to discharge their duties as set out in their terms of reference.

Alexandra Nethercott-Parkes, who acted as a Client Director of Langham Hall Fund Management (Jersey) Limited, resigned as an Independent Non-executive Director with effect from 31 March 2021 and was replaced by Emily Manning, who is also a client director of Langham Hall Fund Management (Jersey) Limited. On behalf of the Board, I would like to express our sincere gratitude to Alexandra for her significant contribution to Yellow Cake.

The Board values its dialogue with stakeholders and the Company proactively facilitates opportunities for engagement with its stakeholders. Day-to-day queries raised by stakeholders are addressed by the Executive Directors, the chairs of the Board Committees will seek engagement with shareholders on significant matters related to their areas of responsibility and the Chairman is available to the Company's major shareholders to discuss governance, strategy and performance as required. The outcomes of these engagements are regularly communicated to the Board and inform its deliberations. As the 2020 Annual General Meeting was a virtual event, stakeholders were invited to submit questions in written form. Further details of how the Company engages with its stakeholders are available in the Corporate Governance Report on pages 42 to 43.

DIVIDEND POLICY

One of Yellow Cake's primary objectives is to realise a return on investment from the appreciation in the value of its U_3O_8 holdings and the Company does not currently expect to issue dividends on a regular or fixed basis. The Board reserves the right to declare a dividend, as and when deemed appropriate.

ACKNOWLEDGEMENTS AND THANKS

I would like to thank my fellow Board members for their diligence and contribution during the year. The Framework Agreement with Kazatomprom, our strategic supplier, is an important asset of the Company that enables value creation for shareholders and we thank them for their support. We are grateful to our shareholders and investors for their strong interest in the share issue during the year and welcome our new shareholders to the Company.

The Lord St John of Bletso
Chairman

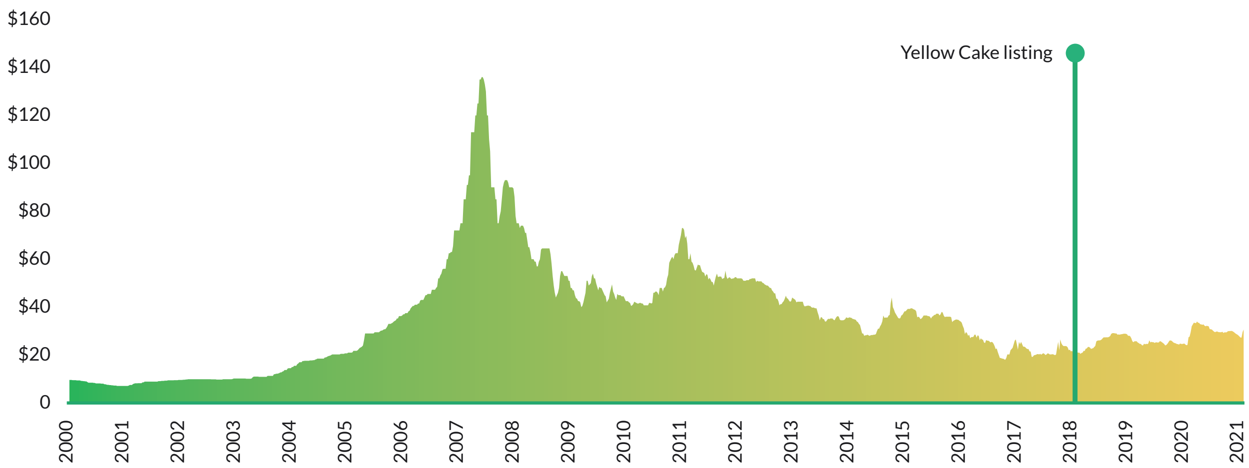
OUR STRATEGY

Opportunities for investors to hold physical uranium are limited. Yellow Cake was established to provide liquid exposure to the uranium commodity through a low-cost structure that leverages the expertise and market knowledge of the Company's executive management and service providers to generate additional value through the purchase of uranium.

Yellow Cake holds physical U_3O_8, has no operating assets and does not enter into hedging arrangements. The Company engages in uranium related transactional activities, such as uranium location swaps. We continue to assess other operational and financial transactions to secure exposure to uranium, including streaming and royalties.

Our low-cost model aims to minimise cost leakage by outsourcing administrative services, supported by the significant cost savings negotiated into the uranium storage contracts. Yellow Cake's Board of Directors comprises an experienced team committed to ensuring the highest standards of corporate governance, with a focus on creating and protecting value for shareholders.

U_3O_8 PRICE HISTORY (USD/lb)



Source: UxC LLC

At the time of Yellow Cake's listing in July 2018, the supply-demand fundamentals implied a strong recovery in the market price of uranium over time. The impact of COVID-19 and other market developments in 2020 and 2021 confirmed the supply/demand imbalance and the U_3O_8 price adjusted accordingly. The longer-term trends, discussed below, suggest further upside as supply remains constrained while demand for nuclear energy is forecast to continue to grow.

THE NUCLEAR FUEL VALUE CHAIN

The nuclear fuel value chain is complex and can take up to 18 months[10] from uranium mine to nuclear reactor. Uranium leaves the mines as yellowcake (U_3O_8) and is further refined before conversion into a gas (uranium hexafluoride – UF_6) at five facilities in the United States, Canada, France, Russia and China[11].

Nuclear reactors produce energy by splitting the atoms of the U-235 isotope to release energy in the form of heat. U-235 is the main fissile isotope of uranium. Uranium in its natural form contains around 0.7% U-235 and the enrichment process uses centrifuges to increase the concentration of U-235 to around 3.5% to 5%, the level required for use as a fuel in most nuclear reactors. Uranium enrichment is a sensitive technology from a nuclear non-proliferation standpoint and is tightly controlled. Around 90% of the world's enrichment capacity is located in China, France, Russia, the United Kingdom and the United States[12].

[10] *OECD-NEA, The Economics of the Nuclear Fuel Cycle (1994)*
[11] *World Nuclear Association, Conversion Enrichment and Fabrication/Conversion and Deconversion*
[12] *World Nuclear Association, Conversion Enrichment and Fabrication/Uranium Enrichment*

OUR STRATEGY CONTINUED

The various types of reactors use different fuel assemblies specific to their design. In the fuel fabrication process[13], enriched UF_6 is converted into uranium dioxide (UO_2) that is used in the manufacture of nuclear fuel bundles. Most fuel fabricators are owned by reactor vendors, which usually supply the fuel assemblies for the reactors they produce. Significant fuel fabrication capacity is located in China, France, Russia, the United Kingdom, the United States, Japan, Canada and India.

Mining

- Uranium is mined using in-situ leaching, open pit and underground mining
- Uranium ore is processed to produce uranium oxide concentrate U_3O_8

Conversion

- Conversion plants convert physical U_3O_8 from powder form into natural uranium hexafluoride gas (UF_6)
- Conversion plants are located in the US, Canada, France, Russia and China

Enrichment

- Gaseous uranium (UF_6) is enriched, raising the uranium-235 isotope from the natural level of 0.7% to the range of 3.5% to 5% required for use in nuclear reactors

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

[13] *World Nuclear Association, Conversion Enrichment and Fabrication/Fuel Fabrication*

The Uranium Market

Miners
Production of 125 Mlb uranium oxide (U_3O_8) in 2020[14]

Producers bought 29.6 Mlb from the 2020 spot market[15]

Secondary supplies

Spot Market
A record 92.3 Mlb of U_3O_8 traded on the spot market in 2020[15]

Traders and financial buyers

92 U YELLOW CAKE PLC

Utilities

Global

1. Utilities 2020 reactor requirements 177.4 Mlb of U_3O_8[16]
2. Expected 2021 reactor requirements 177.5 Mlb[9]
3. Total 2020 spot purchases by nuclear utilities (global) – 17.8 Mlb (19% of average spot market volume – 92.3 Mlb)[15]

Combined US/EU Utilities (data from CY2020)

1. Total US/EU uranium deliveries (spot/term) for 2020 – 81.6 Mlb[17, 18]
2. Uranium delivered under long-term/multi-year purchase agreements – 68.7 Mlb (84.2%)[17, 18]
3. Uranium delivered under spot purchase agreements – 12.9 Mlb (15.8%)[17, 18]

[14] *UxC Weekly "2020 U_3O_8 Production Review" 26 April 2021*

[15] *UxC Weekly "2020 Uranium Spot Market Review" 25 January 2021*

[16] *World Nuclear Association, World Nuclear Power Reactors and Uranium Requirements (December 2020)*

[17] *Euratom Supply Agency Annual Report 2020*

[18] *US Energy Information Administration 2020 Uranium Marketing Annual Report (May 2021)*

OUR STRATEGY CONTINUED

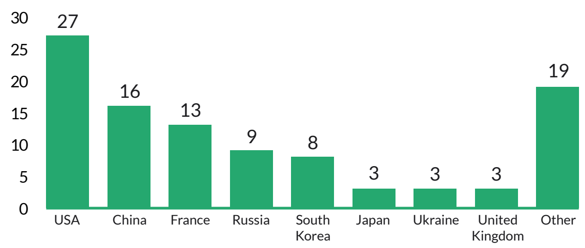
Demand side drivers	Supply side drivers
+ Long-term growth in global energy demand + Strong growth forecast for nuclear in the large developing economies in Asia + Low carbon emission energy source supports 2050/2060 country emission targets + Low lifecycle cost energy source delivering reliable and predictable electricity to complement renewable sources + Advances in small modular reactor (SMR) design reduce facility costs and footprint + Contracting by nuclear power utilities for future uranium purchases is currently at low levels and expected to increase + Resolution of recent US policy uncertainty and bipartisan support for nuclear in the US – Declining share of nuclear in some developed markets (US, Germany, Belgium, France) – Resistance regarding perceived potential environmental and safety impacts	– Concentrated resources (three countries produce 66% of the world's annual uranium) increase the risk of supply disruptions due to geopolitical events or other developments (e.g. COVID-19) – Current uranium prices are below production costs for a large proportion of producers – Exploration and development of new resources is uneconomic at current uranium prices – Producers have shown discipline in reducing supply at current prices – Closures due to COVID-19 reduced uranium production by 12%[14], while global energy demand decreased 4% in 2020[19] + Secondary supply from stockpiles and enrichers offsets some of the production shortfall

DEMAND-SIDE DRIVERS

Nuclear energy remains a key and growing element of global energy supply

Uranium is primarily used in the production of electricity in nuclear power plants. Currently, the US is the largest user of uranium, accounting for 27% of global uranium demand and nuclear contributes 20% of the country's total energy compared to the global average of around 10%[17].

URANIUM REQUIREMENTS (PERCENTAGE OF WORLD DEMAND) (%)



Source: World Nuclear Association[9]

Global energy consumption is forecast to rise nearly 50% from 2018 to 2050[20] with almost all of the growth attributable to non-OECD countries as a result of rapid population and economic growth. The majority of this growth is forecast to come from China (35%) and India (27%). Energy consumption in OECD countries is forecast to increase by 15% over the same period, driven by trends such as the increased use of electric vehicles.

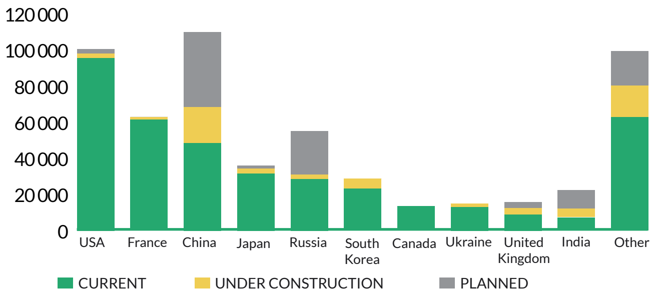
While most of the growth in electricity production is forecast to come from renewable energy sources[20], nuclear will continue to contribute around 10% to total electricity production over this time and is forecast to grow 35% to 2050 from 2018, a compound annual growth rate of 1% a year.

The World Nuclear Association's (WNA) reference case forecasts strong growth of 55%[21] in nuclear power to 2040, while the OECD and the International Atomic Energy Agency jointly forecast a 58% increase in installed nuclear generating capacity to 2040 in the high case and a decline of 11% in the low case[22].

[19] *IEA (2021), Global Energy Review 2021, IEA, Paris https://www.iea.org/reports/global-energy-review-2021*
[20] *US Energy Information Administration (EIA) International Energy Outlook (IEO) 2019*
[21] *World Nuclear Association: The Nuclear Fuel Report, Global Scenarios for Demand and Supply Availability 2019-2040*
[22] *OECD Nuclear Energy Agency and International Atomic Energy Agency: Uranium 2020 Resources, Production and Demand*

There are currently 443 reactors operable worldwide with an additional 155 reactors currently under construction or planned[9]. 43% of the nuclear capacity currently under construction is in China, Russia and India, and 74% of capacity planned is in those countries. All three countries are currently heavily reliant on fossil fuel energy sources and nuclear is likely to have a strong role to play in their future energy mix if they are to meet carbon emission reduction targets. While nuclear makes up close to 20% of Russia's energy, India only derives 3% of its energy from nuclear and China 5%. Reactors are also being built or planned in many emerging markets including Bangladesh, Belarus, Egypt, Turkey and the UAE[9].

CURRENT AND FUTURE REACTORS (MWe)



Source: World Nuclear Association[9]

Since 1998, new reactors coming online (105) have largely balanced old plants being retired (103), although the larger size of the new reactors installed has led to a slight increase in capacity over this period[9]. In recent years, many nuclear reactors have been uprated to increase their capacity and operating licences have been extended beyond the initially planned lives of various facilities. The WNA has concluded that there are currently no firm projections for retirements in the next two decades[23], but the WNA's reference case conservatively estimates 154 reactors closing by 2040 compared to 289 coming online.

Nuclear power is also likely to be an important part of the energy mix for countries that plan to reach the goal of limiting global warming to +1.5C by 2050 in terms of the Paris Agreement on climate change. Nuclear power is not only an efficient, secure and very low carbon source of energy, but its reliability and predictability make it an excellent complement for renewable sources of energy that supports grid stability. In September 2020, President Xi Jinping announced China's intention to achieve net zero emissions by 2060, with CO_2 emissions peaking no later than 2030[24]. With China already the world's largest producer and consumer of energy[25], nuclear could have a significant role in achieving this aspiration.

Although nuclear energy has very low operating costs relative to most other forms of energy, the high new-build costs and lengthy construction schedules of traditional nuclear power facilities have constrained growth in some developed markets. To address this, significant investments are being made in developing small modular reactor (SMR) solutions that typically have generation capacities below 400 MW per unit. These reactors are less technically challenging to construct, quicker to build, easier to fund and could be sited on existing approved nuclear power facilities due to their relatively small size.

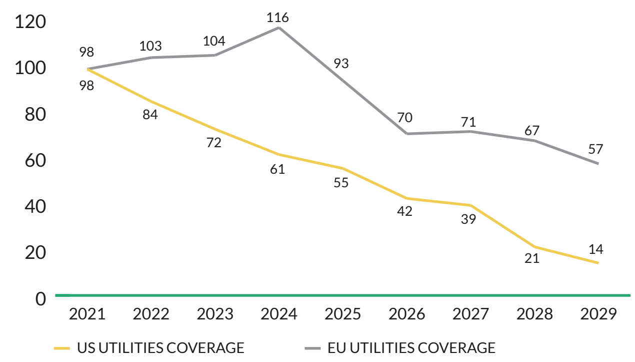
Utility long-term contracts need to be replaced

The average refuelling cycle for nuclear power utilities is around 18 months[26] and these utilities secure the majority of their uranium purchases through long-term contracts (three to five years in advance and for delivery over an extended period, usually five years). The balance is purchased in the spot market (defined as delivery within a year) which generally trades at a discount to the term contract prices.

While utilities hold uranium inventories, most of these are not readily available for use or sale as large proportions are either classified as working inventory (being enriched, or fabricated into fuel) or held as strategic inventory (forward requirements held in the event of supply disruption).

Typically, around 80% to 85% of utilities' uranium purchases are contracted, however currently only around 79%[17] of European and 38%[18] of US utilities' 2025 uranium requirements are currently contracted.

FUTURE CONTRACTED COVERAGE RATE OF US & EUROPEAN UTILITIES (%)



Source: Euratom Supply Agency[17], US Energy Information Administration[18]

The uncertainty around certain US policy issues that may have contributed to the delay in long-term contracting were resolved during 2020. These include the Section 232 investigation, Iran Sanctions Waivers and the Russian Suspension Agreement discussed below.

[23] *World Nuclear Association, Plans for New Reactors Worldwide (March 2021)*
[24] *www.nytimes.com/2020/09/23/world/asia/china-climate-change*
[25] *www.eia.gov/international/analysis/country/CHN*
[26] *World Nuclear Association, Nuclear Fuel Cycle Overview*

OUR STRATEGY CONTINUED

Recent US policy appears to favour nuclear

The US Nuclear Fuel Working Group (NFWG) "Strategy to Restore American Nuclear Energy Leadership" released in April 2020 outlined a strategy to re-establish capabilities in, and provide direct support to, the front end of America's nuclear fuel cycle, including direct purchases of uranium for a strategic Uranium Reserve. The American Nuclear Infrastructure Act (ANIA) bill, which provides the regulatory framework for the establishment and operation of the reserve, was released in December 2020 and initial funding of USD75 million was approved by the US Congress.

The NFWG was established following the conclusion of a Section 232 investigation in 2019 by the United States Department of Commerce (USDOC) into the national security aspects of high levels of foreign uranium importation by US nuclear reactor operators.

A number of acts recently signed into law or currently under discussion by the US House and Senate indicate bipartisan support for nuclear energy and support further research and development in the industry. These include the Nuclear Energy Innovation Capabilities Act (2017), Nuclear Energy Innovation and Modernization Act (2019), National Defense Authorization Act for FY2021, National Energy Leadership Act (2019) and Nuclear Energy Research and Development Act (2020)[27]. In July 2020, the US International Development Finance Corporation lifted its legacy prohibition on funding nuclear energy projects, which should unlock significant funding for US nuclear exports.

The administration under President Biden also appears favourably disposed to nuclear and in February 2021, the US re-entered the Paris Climate Change Agreement. In April 2021, President Biden announced a new target for the US to achieve a 50% to 52% reduction from 2005 levels in greenhouse gas pollution in 2030. Nuclear currently contributes 55%[7] of non-carbon energy in the US and is likely to play a key role in achieving the reduction target. President Biden's climate plan included the creation of an Advanced Research Projects Agency on Climate to target affordable, innovative technologies to help the US achieve a 100 percent clean energy by 2035, a target that includes advanced reactors and SMRs that are more efficient and cost effective.

The US Department of Energy's Office of Nuclear Energy released its Strategic Vision in January 2021, outlining its plans for continued technology innovation for existing nuclear, advanced nuclear, nuclear waste and fuel cycles, suggesting that nuclear energy will be pivotal to US energy, environmental, and economic needs. At the end of March 2021, US President Biden announced that the proposed "American Jobs Plan," (proposed to be budgeted at USD2.25 trillion) would incentivise clean electricity, providing funding for the development of advanced nuclear reactors and supporting the existing US commercial nuclear power fleet[28].

US-Iran Economic Sanctions Waivers

The US imposed sanctions on Iran following the US's withdrawal from the Joint Comprehensive Plan of Action with Iran (the Iran Nuclear Deal) in 2018. Up until May 2020, the US Department of State issued waivers on three non-proliferation-related projects that allow certain of Iran's trading partners to continue working with Iran on civilian nuclear programmes without being subject to American sanctions. The companies active in these facilities are primarily from Russia, China and Europe. Russia is a significant supplier of enriched uranium to the US and failure to renew these waivers would create a significant supply-side event for domestic US utilities.

In May 2020, US Secretary of State Pompeo terminated the three remaining nuclear waivers related to Iranian nuclear projects, providing a 60-day wind down period. However, a 90-day extension of the waiver was provided to cover ongoing international support for the Bushehr Nuclear Power Plan Unit 1 to ensure safety of operations. This was due for renewal in November 2020 and is expected to be renewed, but no formal announcement has yet been made.

The Russian Suspension Agreement

The Russian Suspension Agreement (RSA) was signed in 1992 between the US Department of Commerce and the Russian Federation's Ministry for Atomic Energy to suspend the antidumping duty investigation on uranium enrichment from Russia. The agreement effectively established an annual quota limiting the supply of nuclear fuel into the US from Russia to around 20% of US enrichment demand and was extended five times. The last extension was set to expire at the end of 2020 and if it had expired, Russian-sourced uranium products and services would have had unrestricted access to the US market.

In October 2020, an amendment to the RSA was signed extending the Agreement out to 2040 and limiting Russian uranium enrichment services exports into the US to an average of approximately 17% over the next 20 years, with a further limit to below 15% from 2028. The amendment also established protections for US uranium miners by limiting the export of Russian-sourced uranium to the equivalent of 7% of US enrichment services demand, decreasing to no higher than 5% beginning in 2026.

[27] *https://www.atlanticcouncil.org/blogs/energysource/nuclear-energy-policy-represents-a-bipartisan-path-forward-on-climate-for-the-biden-administration/*
[28] *White House, www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/*

SPOT VOLUMES HIT A NEW RECORD IN 2020

The total volume of uranium traded on the spot market in 2019 declined 28% to 64 million lb of U_3O_8 as a result of the persistent market uncertainty, particularly relating to the Section 232 Investigation and formation of the NFWG. However, the supply disruptions caused by COVID-19 early in 2020 helped to drive spot market volumes to a new record of 92 million lb for the year, surpassing the previous record set in 2018. Buying by utilities in the spot market declined 22% in 2020 while buying by producers nearly tripled as COVID-19 related disruptions affected mining activities. While activity in the spot market in the first two months of 2021 was muted, transactions increased significantly in March.

With improved clarity around policy and bipartisan support for nuclear energy in the US, we expect pent up demand to drive the market, particularly given the need for US and European utilities to secure long-term contract coverage.

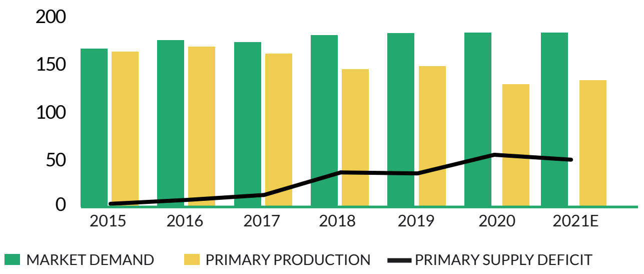
The long-term case for uranium demand remains sound, in particular as the world increasingly recognises the need for the clean baseload energy nuclear provides. We expect demand to rise as the new nuclear fleet currently under construction comes on stream and we see a sustainable return to buying from utilities.

SUPPLY-SIDE DRIVERS

The ability of the global supply of uranium to respond to increases in demand is constrained by the nature of supply.

The world's uranium resources are relatively concentrated with 52%[29] found in Australia, Kazakhstan and Canada. Together these countries produce two thirds[30] of global uranium mined production. Interruptions as a result of COVID-19 led to production in 2020 falling to the lowest level in more than a decade at 125 million lb of U_3O_8.

PRIMARY PRODUCTION AND MARKET DEMAND (MLB U_3O_8)



Source: World Nuclear Association

Primary production has consistently fallen below market demand for uranium over recent years and the primary supply deficit reached a new record in 2020.
In January 2021, Energy Resources of Australia Ltd (ERA) (majority-owned by Rio Tinto) announced that the Ranger Uranium Mine (Northern Territory, Australia) had ceased processing stockpiled uranium ore and would now commence decommissioning and reclamation, which is to be completed by January 2026[31]. ERA reported that uncommitted production was being sold into the spot market. The Ranger Uranium Mine commenced operations in 1981 and produced 291 million lb of U_3O_8 over its operational life. At the end of March 2021, Orano ceased operations at its majority-owned Akouta underground uranium mine in Niger. Operated by Compagnie Minière d' Akouta (COMINAK), the facility produced an estimated 195 million lb of U_3O_8 since entering commercial operation in 1978[32].

Secondary supply sources include material from commercial and government inventories, enricher underfeeding, and depleted uranium tails recovery[33]. The supply gap is currently being covered mainly by underfeeding at enrichment facilities and utility/producer inventory draw-down, but secondary supplies are declining and may not be sufficient to fill the supply deficit.

The current spot and term uranium prices do not incentivise investment into developing new resources. While the spot price of U_3O_8 briefly reached a five-year high of USD34/lb in May 2020, even at this price an estimated one-third of worldwide production operations are believed to be loss-making on an estimated total cost basis[34]. The incentive price for the majority of new uranium mining projects is also likely to be above USD50/lb, discouraging exploration and development, and leading to a potential future supply gap in the face of rising demand. While higher cost producers have had the benefit of long-term supply contracts set at higher prices, these contracts are now expiring.

Producers have shown increasing supply-side discipline over the last five years, shutting down or suspending selected operations to manage supply. These include:

- Paladin's suspension at Langer Heinrich in May 2018;
- Cameco's shut down of Rabbit Lake in 2016, and suspension at McArthur River in July 2018; and
- Kazatomprom's announcement in January 2017 of a 10% cut to planned production[35] and their subsequent announcement[36] in August 2019 of a 20% production reduction for three years compared to the planned levels under Subsoil Use Contracts.

[29] *NEA/IAEA (2021), Uranium 2020: Resources, Production and Demand, OECD Publishing, Paris, https://doi.org/10.1787/d82388ab-en.*
[30] *World Nuclear Association, Uranium Production Figures*
[31] *Energy Resources of Australia, "Processing Operations at ERA's Ranger Mine Conclude", 8 January 2021*
[32] *Orano, "A New Stage Commences for the COMINAK Mine in Niger," 31 March 2021*
[33] *World Nuclear Association, Supply of Uranium (August 2019)*
[34] *Company analysis based on SRK Consulting Global Operating Cost Curve for Primary Uranium Production, Section 232 Investigation of Uranium Imports dated 16 January 2018*
[35] *Kazatomprom, kazahstan-sokrashchaet-dobychu-urana-na-10*
[36] *London Stock Exchange, www.londonstockexchange.com/exchange/news/market-news/market-news-detail/KAP/14195200*

OUR STRATEGY CONTINUED

COVID-19

Although the COVID-19 pandemic affected both the demand and supply sides of the market, the supply side took the brunt of the impact. Global electricity demand decreased 1% and nuclear power generation by 4% in 2020[14], while market demand for U_3O_8 was broadly unchanged year on year at 177.4[16] million lb. 2020 primary production decreased by 12%[14] and the primary supply deficit increased to 30% of market demand.

COVID-19 interrupted production in most mining jurisdictions during the lockdowns announced in response to the pandemic at the end of the first quarter of 2020. Kazatomprom stopped development drilling from April to the end of July 2020. Cameco's Cigar Lake mine, the largest producing uranium mine in the world, suspended production from March to September 2020 and then again from mid-December as COVID-19 cases rose in the surrounding area. Producers had to source uranium in the spot market to cover existing long-term supply contract commitments. The thinness of the spot market means that any material a producer purchases has the potential to create a rapid tightening of the spot market and potentially lead to pricing spikes. Early in April 2021, Cameco announced that they are restarting mining at Cigar Lake, stating in their press release[37] that "the timing of production restart and production rate at Cigar Lake will be dependent on how quickly we are able to remobilize the workforce." Cameco further said that it would not be in a position to provide production outlook updates for 2021 until production has resumed and advised that they will continue to purchase material, as needed, to meet their committed deliveries.

Without a material and sustained increase in the long-term uranium price, supply deficits are projected to continue and the continued ability for secondary supplies to cover the shortfall remains uncertain.

After peaking at USD34 per lb of U_3O_8 in May 2020, the spot price declined to around USD30 per lb, where it ended 2020. In the first quarter of 2021, the price declined further, but ended March at USD30.65/lb.

Yellow Cake is uniquely positioned to benefit from supply-side pressure and the likely resulting uranium price increases. We remain confident in the resulting long-term outlook for the commodity, as demand is expected to continue to exceed supply.

[37] *Cameco Corporation, "Cameco Restarting Cigar Lake Mine", 9 April 2021*

OUR BUSINESS MODEL

Yellow Cake aims to maximise investor exposure to the uranium price, ensure high standards of corporate governance and minimise costs through an outsourced business model that provides cost-effective access to uranium supply, intellectual capital, expertise and storage facilities. This model is built on key strategic and contractual relationships with industry players.

KAZATOMPROM FRAMEWORK AGREEMENT

Kazatomprom is the world's largest producer of uranium and one of the lowest cost producers of uranium.

Yellow Cake's long-term Framework Agreement with Kazatomprom gives the Company the right to purchase up to USD100 million of U_3O_8 each year to 2027 at a price agreed prior to announcing the purchase to the market. In the financial year ended 31 March 2021, Yellow Cake exercised the full USD100 million of its option for 2021, taking delivery on 21 June 2021.

The Company can also source uranium from other producers or the spot market if advantageous.

308 SERVICES LTD

A uranium specialist company focused on the uranium commodity markets. 308 Services complements Yellow Cake's executive management with significant expertise and market knowledge, and supports the Company in procurement and other uranium transactions.

ORANO CYCLE STORAGE CONTRACT

In 2020, 600,000 lb of U_3O_8 was exchanged from Cameco's Port Hope/Blind River facility in Canada to a storage account at Orano Cycle's Malvési/Tricastin storage facility in France in a series of location swap agreements. The Company enters into transactions such as location swaps from time to time, when this is commercially advantageous.

CAMECO STORAGE CONTRACT

Most of Yellow Cake's current holding of 13.3 million lb of U_3O_8 is held in a storage account at Cameco's Port Hope/Blind River facility in Ontario, Canada.

Storage rates have been negotiated to achieve significant cost savings and support the Company's low-cost operating structure.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

HIGHLIGHTS

An important participant in the transition to a **low carbon economy**

Strong female representation at the management and board level.

The **highest levels of safety** in the storage of uranium.

A skilled, committed and **independent board**

The Board recognises the importance of environmental, social and governance (ESG) considerations in assessing the Company's performance and the value it creates. In its deliberations, the Board considers the impact of the Company's activities on society, the environment and Yellow Cake's reputation.

Due to the nature of Yellow Cake's activities, the Company's direct social and environmental impact is minimal. The key sources of ESG risk for Yellow Cake relate to its uranium supply and storage contracts. Yellow Cake seeks to build mutually beneficial working relationships with our suppliers and shows preference for suppliers that can demonstrate alignment with our standards and that promote such standards among their own suppliers. The Supplier Standards Policy sets out Yellow Cake's standards in the areas of health and safety, business integrity and legal compliance, labour and human rights, environmental stewardship, treatment of host communities, and reporting. Due diligence is conducted on suppliers and business partners to ensure that they take a responsible approach to governance and environmental, social and ethical practices. Yellow Cake has a zero-tolerance approach to bribery and corruption and expects its suppliers and business partners to share these commitments.

PRODUCT RESPONSIBILITY

The mining of the uranium that Yellow Cake holds has similar environmental and social impacts to those of most metal or mineral mines, and is regulated according to the social, environmental, safety and occupational health regulations relevant to the country of operation.

While uranium ore and U_3O_8 are only mildly radioactive, prolonged exposure can cause damage. However, uranium is toxic chemically and is therefore handled and contained to prevent inhalation or ingestion. Later in the nuclear fuel value chain, concentration and enrichment increases radioactivity and toxicity.

The 13.3 million lb of U_3O_8 owned by Yellow Cake is stored in metal drums in storage accounts at licenced storage facilities at Cameco's Port Hope/Blind River operation in Canada and Orano Cycle's Malvési/Tricastin site in France.

Yellow Cake occasionally enters into location swap agreements and other uranium-based financial initiatives. During 2020, the Company exchanged 600,000 lb of U_3O_8 it held in Canada for 600,000 lb of U_3O_8 located in France in two transactions. These transactions did not involve the physical transportation of uranium and were completed by book transfer.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

Radiation monitoring and safe working practices are in place at Kazatomprom. The management systems at Kazatomprom's operations, Cameco's Port Hope/Blind River facilities and Orano's Malvési/Tricastin facilities are aligned with OHSAS 18001 or ISO 45001 (occupational health and safety management systems) and ISO 14001 (environmental management systems). Kazatomprom received certification in terms of ISO 14001 and ISO 45001 in 2020.

ESG REPORTING BOUNDARY AND IDENTIFICATION OF MATERIAL ISSUES

Yellow Cake follows the UN "Guiding Principles on Business and Human Rights" and the OECD "Guidelines for Multinational Enterprises" in determining topic boundaries for reporting ESG. In assessing the Company's ESG impacts, Yellow Cake takes into account both direct impacts and indirect impacts arising from our business relationships with suppliers.

EXTERNAL ESG ASSESSMENT

Yellow Cake commissioned PRISM to conduct an external and independent assessment of the Company's ESG risks, both with regards to the Company itself and more widely its supply chain adherence to ESG principles. PRISM is an independent emerging and frontier market risk consultancy with extensive experience in the oil and gas and mining industries. The assessment included a review of Yellow Cake's practices against the following ESG frameworks:

- The Sustainability Accounting Standards Board standards (SASB): SASB sets standards on sustainability issues that are likely to affect the financial condition or operations. Given Yellow Cake's relatively unique business model, the Company does not align with the 77 industries covered by dedicated SASB standards and the assessment consequently focused on the SASB sustainability issues relevant to our operations. These were:
  - **Social Capital:** Human Rights and Community Relations
  - **Human Capital:** Employee Engagement, Diversity and Inclusion; Employee Health and Safety
  - **Leadership and Governance:** Business Ethics, Competitive Behaviour, Management of the Legal and Regulatory Environment
- The UN Global Compact Sustainable Development Goals (UN SDGs)
- The Task Force on Climate-related Financial Disclosures (TCFD)

The assessment by PRISM included a materiality and mapping exercise to identify the most material ESG topics for the Company, according to Global Reporting Initiative (GRI) principles. Material ESG topics are those that have a direct or indirect impact on Yellow Cake's ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large.

Using the benchmarks and principles of leading ESG standard setters and frameworks, Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI) and United Nations Sustainable Development Goals (UNSDGs), Yellow Cake identified the following key topics to be reviewed and monitored:

Supplier environmental compliance
Employee engagement, diversity and inclusion
Business Ethics and Exposure to political risk
Supplier human rights and community relations
Supplier employee health and safety
Legal and regulatory environment
Business model resilience and competitive behaviour

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

The review by PRISM in the 2021 financial year assessed the ESG risks related to Yellow Cake's primary supplier, Kazakhstan's state uranium mining company Kazatomprom, as well as its storage suppliers, Cameco (Canada) and Orano (France). The review was based on publicly available information, as well as, in the case of Kazatomprom, enquiries with industry and third sector sources, and direct engagements with high-level managers at the Company in relevant areas of responsibility.

The review indicated that sustainability is integrated into Kazatomprom's core strategic framework and encapsulated in its Environmental and Social Action Plan (ESAP), and the Company targets certain UN Sustainability Development Goals (UNSDGs) to align its ESG performance with global aims. Current leadership of the Company has prioritised stakeholder engagement and ESG performance, and it is a leader in these areas within the Republic of Kazakhstan corporate sphere. Cameco and Orano both have ambitious environmental and social goals which meet global standards and extend beyond legislative or regulatory requirements.

The annual ESG review provides the Yellow Cake Board with an independent assessment of the ESG performance of Yellow Cake's key suppliers, identifies trends and highlights emerging ESG risks.

Yellow Cake's direct and indirect ESG impacts are set out in the table below:

Environment	Social	Governance
• Yellow Cake's primary business serving the nuclear power industry makes it an important participant in the global transition to a carbon-free economy. • While Yellow Cake does not engage in mining activities or directly handle inventory, it is committed to the reduction of the risk to the environment among its chief supplier and main contractors. • In the 2021 financial year, Yellow Cake commissioned an independent review of the environmental risks related to its primary supplier, Kazakhstan's state uranium mining company Kazatomprom. • Kazatomprom's use of in-situ recovery for uranium extraction is a non-invasive form of production that limits the impact on the environment.	• Yellow Cake has put in place a range of policies to ensure employee and stakeholder protection and wellbeing, including on equal opportunities, health and safety, and whistleblowing. • Yellow Cake regularly monitors its partners using the Sustainability Accounting Standards Board (SASB) standards and United Nations Sustainable Development Goals (SDG) to ensure the health, safety, and wellbeing of partner employees.	• Independent directors comprise 71% of Yellow Cake's Board of Directors. There is also strong female representation at Board (43%) and management (50%) level. • Yellow Cake's Board is active and engaged with the Company, with a high frequency of meetings and strong attendance. • Yellow Cake has strong policies that minimise the risk of misconduct, including on bribery and corruption as well as anti-competitive behaviour. • Yellow Cake also commissioned independent reviews of the governance at Kazatomprom and political risks associated with the entity.

CEO STATEMENT

Recent market trends continue to highlight the long-term supply/demand disconnect in the uranium market, while the regulatory uncertainty that was more prevalent in 2019 is now largely resolved and there is a growing recognition of nuclear power's importance in meeting carbon emission reduction targets.

Andre Liebenberg

2020 was a transition year for the uranium market in that a number of factors and uncertainties that were affecting the uranium price were resolved or reached a point where their implications for higher prices became undeniable.

The impact of COVID-19 emphasised the supply-side risk in the uranium market with 76% of global production concentrated in four countries. Disruptions due to the pandemic led to the loss of approximately 20 million lb of production that will not be recovered and production in calendar 2020 fell 12% to 125 million lb of U_3O_8[14]. This follows three years of production declines from the peak in 2016 at 160 million lb of U_3O_8, while reactor demand has stayed relatively steady around 175 million lb of U_3O_8 a year, implying consistent inventory drawdowns. In February and March of this year we also saw the permanent closure of the Ranger mine in Australia and the Cominak mine in Niger. Historically these mines in aggregate produced around nine million lb per annum[38].

Demand for uranium looks set to grow as the current global fleet of 443 operating reactors is expanding with a further 155 reactors under construction or planned[9], mainly in China, Russia, India and the Middle East. The remarkable improvement in air quality as activity decreased at the height of the pandemic demonstrated the significant negative impact of fossil fuels in countries that rely heavily on energy from these sources, including China and India.

The perception of nuclear energy is becoming more positive as more countries commit to carbon neutrality and support for a "renewables plus nuclear" solution increases. For the first time in many years, the nuclear industry in the US is receiving bipartisan support, and President Biden's pre-election policy statements explicitly included nuclear in the energy policy. The UK's Ten Point Plan for Green Industrial Revolution includes a commitment to nuclear energy and small modular reactors continue to gain traction globally as cost-effective and small footprint alternatives to traditional reactors.

Although nuclear energy currently accounts for nearly half of the low-carbon electricity in Europe, its inclusion in the EU taxonomy for sustainable finance has not yet been confirmed and it would be a negative for the industry if it was excluded. Recently the EU's Joint research Centre (JRC) concluded that nuclear energy does not cause any more harm than the energy sources currently included in the taxonomy[6]. The JRC report is still subject to review prior to implementation. However, most of the growth in reactors is forecast to take place outside the EU, so exclusion is not expected to have a significant impact on the industry's future growth.

[38] *World Nuclear Association, Country Profiles/Countries G - N/Niger, World Nuclear Association, Country Profiles/Countries A - F/Australia*

CEO STATEMENT CONTINUED

The ability of producers to respond to the forecast increase in demand is, in our view, limited. For several years the majority of current uranium supply is thought to have been loss making at prevailing uranium spot prices, disincentivising investment in new resources even as current mines deplete. Despite the increased current and planned activity around nuclear builds, we have seen little progress in the uranium mining projects in the market at the time of Yellow Cake's IPO in 2018. We believe that the lack of bankable long-term off-take contracts are a key constraint to projects being able to secure the necessary finance for construction. At the same time, the main US policy issues that created uncertainty for utility contracting over the last two years have been clarified. These include the release of the recommendations of the US Nuclear Fuels Working Group and the finalisation of the Russian Suspension Agreement.

DEVELOPMENTS IN THE URANIUM MARKET[15]

The uranium spot market price started 2020 at USD25.00/lb and ran up nearly 20% in April on record volumes as COVID-19 forced the closure of mining production around the world. The price peaked at USD34.00/lb in May 2020 before trending down to around USD30/lb where it ended the calendar year, closing 20% up on 2019 and nearly 70% up since the 2016 low. In 2021, after initially declining the price reached USD30.65/lb by the end of March.

Spot market volumes reached record levels in the 2020 calendar year at 92.3 million lb of U_3O_8 (CY2019: 64.3 million lb) compared to the previous record of 88.7 million lb of U_3O_8 in 2018. We believe that this activity was driven by enhanced purchasing activity by primary uranium producers that had reduced production or suspended their operations due to the COVID-19 pandemic, as well as by market intermediaries.

Aggregate term contracting in CY2020 amounted to only around 56 million lb of U_3O_8 (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 (3-5 years or more). Term contracting levels in CY2020 were at unprecedented lows (96.2 million lb of U_3O_8 (equivalent) in CY2019 and 90.5 million lb of U_3O_8 (equivalent) in CY2018).

Uranium spot market activity decreased markedly in the first two months of the 2021 calendar year, totaling slightly more than 10 million lb of U_3O_8. We believe this decline may be attributable to reduced purchasing by utilities as well as limited market activity by uranium producers in the new year. Spot market transactions rose significantly in March with the acquisition of physical uranium by financial entities (including Yellow Cake's acquisitions discussed below) and by several junior uranium companies. Aggregate transaction volumes for March rose to 10.9 million lb of U_3O_8 under 68 separate transactions[14].

INCREASE IN YELLOW CAKE'S U_3O_8 HOLDINGS

In the final quarter of 2020, we witnessed significant investor interest in uranium equities on the back of the improving uranium fundamentals highlighted above and this trend continued into 2021. These market dynamics allowed Yellow Cake to take advantage of the strong investor interest in uranium and we were able to raise USD138.5 million at net asset value in an oversubscribed equity offering.

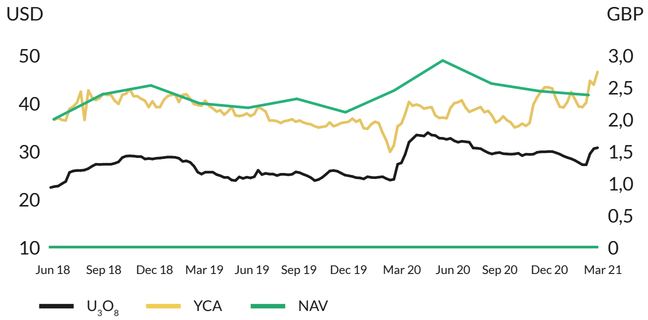
The equity raise allowed us to fully exercise the Kazatomprom 2021 option to acquire USD100 million of U_3O_8 this year and to apply the surplus cash raised to make additional uranium purchases for value. In June 2021, the Company raised gross proceeds of USD86.9 million and committed to further purchases of U_3O_8, which are expected to bring the Company's holding of U_3O_8 to more than 15 million lb in the 2021 calendar year.

A number of other uranium companies have also taken the opportunity provided by the improved sentiment towards the commodity and since February 2021 around USD930 million has been raised, including Yellow Cake's equity offerings. We are also seeing a new strategy by uranium project companies that are using the funds raised to purchase uranium in the spot market to enhance financing options as they pursue the restart/development of their projects. In 2021 to date, about 12.7 million lb of U_3O_8 has been purchased (including Yellow Cake's 3.5 million lb from Kazatomprom), which represents approximately 10% of forecast 2021 primary production.

The share buyback programme Yellow Cake initiated last year and extended during the current year took advantage of the persistent discount between the Yellow Cake share price and net asset value to effectively increase shareholders' exposure to uranium at a discount to the spot price. The Company's shares ended the 2021 financial year 45% up on the prior year and trading at a premium to net asset value.

The fair value of the Company's holding of U_3O_8 increased by USD33.4 million in the year to 31 March 2021. At year-end Yellow Cake's net asset value increased 58%, although after accounting for the increased shares in issue, net asset value per share declined marginally to GBP2.38 per share. The Company delivered a net profit after tax for the year of USD29.9 million and ended the year with cash and cash equivalents of USD126.2 million on the balance sheet. The CFO's Review on page 24 provides more information regarding the Company's financial results for the period.

URANIUM PRICE (USD/LB), **YELLOW CAKE SHARE PRICE** (GBP) **AND NAV** (GBP/SHARE)



STAKEHOLDER RELATIONSHIPS

While COVID-19 prevented face to face engagements, we held a large number of virtual engagements with shareholders, investors, analysts and the media through investor conferences, conference calls, investor briefings with industry experts, media briefings and interviews to improve the understanding of the Company and the industry. Our focus on broadening our retail shareholder base continued and, very pleasingly, both the March and June share placements included a retail component that was very well supported. The Company's retail shareholding currently accounts for 25% of the share register, up from zero at the time of the IPO in July 2018.

OUTLOOK

Demand for uranium is likely to continue with nuclear energy playing a key role in the long-term global energy mix as a low carbon, low operating cost, reliable and sustainable source of energy that complements renewable sources of energy. New supply of uranium is uneconomic without a significant increase in prices from current levels and the ongoing disruptions to supply from COVID-19 are resulting in producers being increasingly active in the spot market to meet contracted volumes.

The return of long-term contracting by utilities will be the key trigger for a rebound in the market. Market sources, including UxC[39], 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.

The long-term fundamentals supporting our view that uranium is currently underpriced remain intact and Yellow Cake is well placed to realise further value for shareholders as a result.

Andre Liebenberg
Chief Executive Officer

[39] *UxC Weekly, 21 January 2021*

CFO'S REVIEW

For the first nine months of the financial year, the Company's shares continued to trade at a significant discount to net asset value. Yellow Cake completed a share buyback programme in 2020 as a means of effectively acquiring exposure to uranium at a discount to the commodity spot price. By March 2021, Yellow Cake's shares were trading at a premium to net asset value, putting the Company in a position to successfully complete an upsized share placing and apply the proceeds to the purchase of an additional 4 million lb of U_3O_8.

Carole Whittall

In March 2021, the Company completed an upsized share placing, raising gross proceeds of USD138.5 million at an issuance price equal to net asset value at the time of the placing. The proceeds were applied to fully exercise the Company's 2021 option to purchase USD100 million of U_3O_8 from Kazatomprom under the Framework Agreement, to purchase additional uranium for value and to fund related expenses and working capital.

During the first nine months of the financial year, the Company's shares continued to trade at a significant discount to net asset value. The Yellow Cake Board therefore took the decision to continue with a share buyback programme while this discount persisted as a means of effectively acquiring exposure to uranium at a discount to the commodity spot price and delivering value to shareholders. The buyback programme was largely financed through the sale of 300,000 lb of U_3O_8 in June 2020 that generated cash proceeds of USD9.9 million after costs and commission. Between January 2020 and October 2020, the Company applied USD11.5 million (GBP8.9 million) to purchasing its shares at a volume-weighted average discount to net asset value of 21%. The buyback programme completed in October 2020 and by the end of 2020, the discount to net asset value had closed.

It is my pleasure to present the following audited financial statements for the year to 31 March 2021 and report a number of highlights for the year:

An increase in the Company's uranium holding of

USD38.6 million from USD263.5 million to

USD302.1 million

Proceeds of USD138.5 million from the share placing in March 2021 of which USD115.0 million was applied or committed to net purchases of

4.0 million lb

of U_3O_8 at an average price of USD28.83/lb

Returned

USD11.5 million

in value to shareholders through a share buyback programme, with shares purchased at a 21% discount to net asset value

Profit after tax of

USD29.9 million

(2020: USD12.5 million)

URANIUM TRANSACTIONS

Yellow Cake started the financial year with a holding of 9.62 million lb of U_3O_8 and sold 300,000 lb of U_3O_8 in June 2020 to finance the share buyback programme. In March 2021, the Company acquired an additional 540,000 lb of U_3O_8 to end the financial year with a total holding of 9.86 million lb of U_3O_8.

On 3 March 2021 Yellow Cake exercised the Kazatomprom option to acquire a further 3.45 million lb of U_3O_8 for an aggregate cash consideration of USD100.0 million. The Kazatomprom purchase completed after financial year end and the Company took delivery of the uranium on 21 June 2021.

As part of the subscription agreement entered into at the time of the Company's IPO in July 2018, the Company granted Uranium Royalty Corp. an option to acquire between USD2.5 million and USD10.0 million worth of U_3O_8 per year in each of the nine calendar years commencing on 1 January 2019, up to a maximum aggregate amount over such nine-year period of USD31.25 million worth of U_3O_8. On 30 March 2021, Yellow Cake accepted Uranium Royalty Corp's option exercise notice to purchase 348,068 lb of U_3O_8 from Yellow Cake at USD28.73/lb for an aggregate consideration of USD10.0 million. The sale to Uranium Royalty Corp. completed after financial year end on 28 April 2021.

On 20 May 2021, Yellow Cake completed the purchase of 343,053 lb of U_3O_8 in the market at a price of USD29.15/lb for total consideration of USD10.0 million.

In July 2021, the Company concluded agreements to purchase a further 550,000 lb of U_3O_8 in the spot market at an average price of USD32.35/lb for a total consideration of USD17.8 million. The Company will take delivery of this uranium between July and August 2021.

The Company expects to conclude an agreement with Kazatomprom to purchase a further 2.0 million lb of U_3O_8 for delivery between October and December 2021 at a price of USD32.23/lb for a total consideration of USD64.5 million, pursuant to Kazatomprom's offer of 12 June 2021.

URANIUM-RELATED PROFIT

Yellow Cake made a total uranium related profit of USD33.9 million in the year to 31 March 2021 (2020: USD15.9 million). This comprised an increase in the fair value of the Company's uranium investment of USD33.4 million (2020: USD15.7 million), a premium to the prevailing spot price on the disposal of 300,000 lb of U_3O_8 of USD0.2 million and USD1.1 million in location swap fees. These gains were partially offset by an increase in the fair value of a uranium derivative liability related to the Kazatomprom repurchase option of USD0.8 million (detailed in note 7 of this report).

Of the 9.62 million lb of U_3O_8 held at the beginning of the financial year, 300,000 lb of U_3O_8 was sold at the end of June 2020 at a price of USD33.20/lb and at a premium of USD0.60/lb above the carrying value of USD32.60/lb[40] on the date of disposal, being the prevailing market price at the time.

[40] *Month-end spot price published by UxC LLC on 29 June 2020.*

CFO'S REVIEW CONTINUED

The increase in the fair value of the Company's uranium investment of USD33.4 million during the year was attributable to:

- an increase of USD5.20/lb in the carrying value of the 300,000 lb of U_3O_8 sold at the end of June 2020;
- an increase of USD3.25/lb in the carrying value of the 9.32 million lb of U_3O_8 uranium investment held by the Company since the beginning of the financial year (as the underlying price of U_3O_8 increased from USD27.40/lb to USD30.65/lb over the financial year); and
- an increase of USD2.83/lb in the carrying value of the additional 0.54 million lb of U_3O_8 acquired by the Company in March 2021 for an average price of USD27.82/lb.

At the end of the financial year, the Company's uranium investment comprised 9.86 million lb of U_3O_8.

OPERATING PERFORMANCE

Yellow Cake delivered profit after tax for the year of USD29.9 million (2020: USD12.5 million).

Expenses for the year of USD4.0 million (2020: USD3.5 million) recognised in the Statement of Comprehensive Income included the following costs:

- USD0.7 million in costs related to Yellow Cake's share placing (2020: USD0.5 million); and
- USD0.3 million in commissions payable to 308 Services Limited in relation to the purchase by Yellow Cake of U_3O_8 (2020: USD0.2 million).
- Operating costs of a recurring nature of USD2.9 million (2020: USD2.8 million), comprising:
  - Procurement and market consultancy fees (holding fees and storage incentive fees) paid to 308 Services Limited of USD1.1 million (2020: USD1.0 million) (detailed in note 12); and
  - Other operating costs of USD1.7 million (2020: USD1.8 million).

Operating expenses of a recurring nature of USD2.9 million represent approximately 0.7% of the Company's net asset value at 31 March 2021.

SHARE BUYBACK PROGRAMME

The share buyback programme (the "Programme") approved by the Board early in 2020 to purchase up to USD2.0 million of the Company's ordinary shares continued during the year under review. On 30 June 2020, the Company announced its intention to enlarge the Programme, with a view to purchase up to an additional USD10.0 million of the Company's outstanding ordinary shares.

During the financial year, the Company purchased 3,846,597 shares under the Programme for a total consideration of GBP8.3 million (USD10.7 million). The Programme was completed in October 2020 with the acquisition of a total of 4,156,385 of the Company's shares for a total consideration of GBP8.9 million (USD11.5 million) at a volume weighted average price of GBP2.13 per share and volume weighted average discount to the Company's estimated net asset value of 21%.

The shares repurchased are held in treasury.

The Company does not propose to declare a dividend for the year.

SHARE PLACINGS

On 2 March 2021, the Company issued a total of 43,001,944 new ordinary shares to existing and new institutional investors and 1,523,070 new ordinary shares to retail investors, at a price of GBP2.23 per share, equal to the Company's estimated net asset value per share at the date of the offering. The Company raised net proceeds of GBP96.3 million (USD equivalent: 134.4 million net of costs of USD4.1 million).

On 21 June 2021, after year end, the Company issued 23,947,009 new ordinary shares to existing and new institutional investors and 1,052,991 new ordinary shares to retail investors, at a price of GBP2.50 per share, equal to a 1% premium to the Company's estimated net asset value per share at the date of the offering. The Company raised net proceeds of GBP60.6 million (USD equivalent: 84.0 million net of costs of USD2.9 million).

ADDITIONAL TRANSACTIONS TO REALISE VALUE FROM THE COMPANY'S U_3O_8 HOLDINGS

On 24 July 2020, the Company concluded a location swap agreement that realised gross proceeds of USD1.1 million. The location swap was reversed in May 2021 and realised a small profit contribution.

Under the location swap agreement, the Company exchanged 500,000 lb of U_3O_8 located at Cameco's storage facility in Canada for an equal volume of U_3O_8 located at Orano's storage facility in France. In consideration, Yellow Cake received gross proceeds of USD1.1 million on 11 August 2020. The location swap was reversed in May 2021, at which time Yellow Cake received the same volume of uranium in Canada in exchange for uranium held in France and received a swap fee of USD100,000.

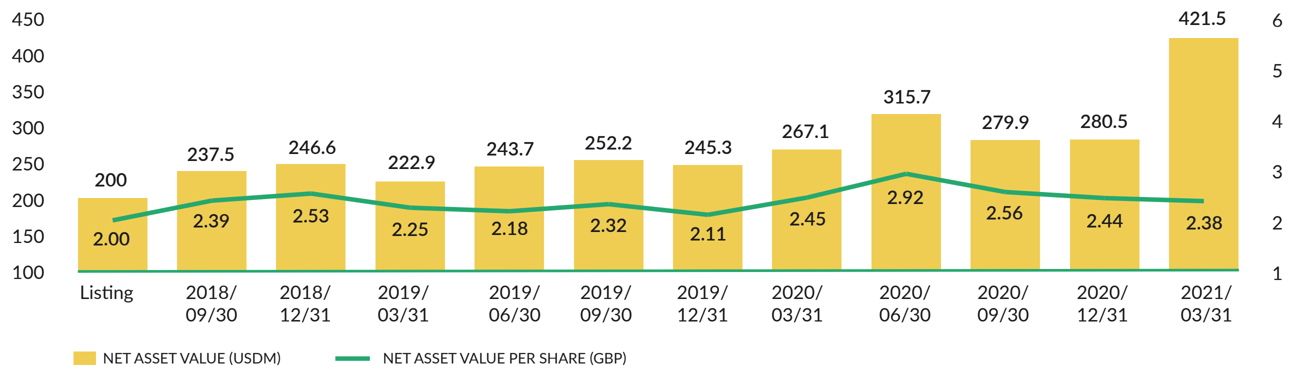
The Company will continue to pursue attractive uranium related transaction opportunities as they arise, including location swaps.

BALANCE SHEET AND CASH FLOW

The share placing and retail offer which completed on 2 March 2021 raised net proceeds of USD134.4 million. USD15.0 million was applied to purchasing uranium during the financial year, while the Company committed to purchasing USD100.0 million of U_3O_8 from Kazatomprom under the Framework Agreement after financial year-end. The Kazatomprom purchase transaction completed in June 2021.

Yellow Cake's U_3O_8 investment increased by 15% to USD302.1 million at year-end compared to USD263.5 million at the end of the 2020 financial year, as a result of the appreciation in the uranium price and a net increase in the volume of uranium held. As at 31 March 2021, Yellow Cake had cash of USD126.2 million (2020: USD6.5 million).

NET ASSET VALUE (NAV) (USDM) **AND NAV PER SHARE** (GBP)



Yellow Cake's net asset value at 31 March 2021 was GBP2.38 per share[41] or USD421.4 million, consisting of 9,856,385 lb of U_3O_8 valued at a spot price of USD30.65/lb, a uranium derivative liability of USD3.4 million, cash and cash equivalents of USD126.2 million and other net current assets and liabilities of USD3.5 million.

Yellow Cake's estimated net asset value on 12 July 2021 was USD533.8 million, consisting of 13,305,601 lb[42] of U_3O_8 valued at the weekly price of USD32.35/lb published by UxC LLC on 12 July 2021, a uranium derivative liability of USD3.4 million, cash and cash equivalents 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 the end of the financial year, plus net proceeds of the share placing on 21 June 2021 of USD84.0 million.

Yellow Cake's estimated net asset value per share as at 12 July 2021 was GBP2.50 per share. At market close on 12 July 2021, the Company's share price was GBP2.68 per share, which represents a 7% premium to the estimated net asset value per share.

Carole Whittall
Chief Financial Officer

41 *Net asset value per share on 31 March 2021 is calculated assuming 132,740,730 ordinary shares in issue less 4,156,385 shares held in treasury, the Bank of England's daily USD/GBP exchange rate of 1.3796 on 31 March 2021 and the month-end spot price published by UxC LLC on 29 March 2021.*

42 *As at 31 March 2021, Yellow Cake held 9,856,385 lb of U_3O_8. Adjustments for purchases completed after 31 March 2021 include the addition of 3,454,231 lb of U_3O_8 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 of U_3O_8 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 of U_3O_8 which Yellow Cake sold to Uranium Royalty Corp. for a cash consideration of USD10.0 million (completed on 28 April 2021). Yellow Cake's estimated net asset value per share as at 12 July 2021 was calculated assuming 157,740,730 ordinary shares in issue less 4,156,385 shares held in treasury on that date and the Bank of England USD/GBP exchange rate of 1.3894.*

RISK MANAGEMENT

HOW WE MANAGE RISK IN OUR BUSINESS

While risk can never be fully eliminated, Yellow Cake's approach to risk management aims to mitigate risk to an acceptable level to execute the Company's strategy and create value for all stakeholders.

The Board determines the Company's business strategy and has overall responsibility for risk assessment. The Board has mandated the Audit Committee to keep the Company's internal control and risk management systems under review and to report to the Board.

The committee reviews the system of internal controls and regularly assesses its effectiveness. The feedback provided by the external auditor regarding issues identified during its engagement informs the committee's assessment, particularly feedback relating to any control weaknesses and the responses from management to these issues.

The Executive Directors undertake a regular risk assessment process to identify and quantify the risks that face the Company's operations and functions, and to assess the adequacy of the prevention, monitoring and mitigation practices in place for those risks. The Board reviews the risk assessment and risk management processes for completeness and accuracy, carefully considers the Company's risk register at regular intervals and receives regular updates from management.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

Operational Risks	Corporate Risks	Industry Risks	Environmental, Social and Governance Risks	Financial Risks
1 Counterparty risk	5 Key personnel	7 Regulatory regime	9 Environmental risk	12 Uranium price risk
2 Cash flow risk	6 Key service providers	8 Industry	10 Social risk	13 Foreign exchange risk
3 Operating risk			11 Governance risk	14 Taxation risk
4 COVID-19				

The table below shows the principal risks currently facing the Company, including those that could threaten its business model, future performance, solvency or liquidity. Risk levels are determined based on an evaluation of the probability and consequence of individual risks.

Nature and impact of risk	How we manage the risk	Risk level
Operational risks		
1. Counterparty risk While considered unlikely, the counterparties to the Company's key contracts may become insolvent or otherwise unable to fulfil their contractual obligations. (a) The Company engages in the purchase of U_3O_8 from third parties, in particular Kazatomprom	Under the Kazatomprom Framework Agreement, the Company is required to pay for any purchases of physical uranium ten days after taking delivery of the uranium. This ensures the Company is better able to manage any potential credit exposure. A force majeure event under the Kazatomprom Framework Agreement, or the Company no longer being able to make purchases under the Agreement, would adversely impact Yellow Cake's ability to procure future purchases of uranium at an undisturbed market price under that agreement. If that occurred, if Yellow Cake wished to purchase further uranium, it would need to enter into new supply contracts for uranium with producers and/or to purchase uranium in the spot market. Yellow Cake recognises that any new contracts or spot market purchases may not provide equivalent access to undisturbed uranium prices or volumes as provided by the Kazatomprom contract. As the remaining term of the Kazatomprom Framework Agreement reduces, the contract risk reduces.	High
(b) The Company has contracts in place for the storage of its U_3O_8 with Cameco for storage at Cameco's Port Hope/Blind River facility and with Orano for storage at Orano's Malvési/Tricastin storage facility in France. There is a risk that Cameco or Orano could become insolvent.	The Company retains ownership of the U_3O_8 while in storage and would therefore retain ownership through any potential insolvency event in relation to Cameco or Orano (although it cannot be guaranteed that, in the event of a Cameco or Orano insolvency event, a third party would not seek to challenge the Company's title to its U_3O_8). Yellow Cake maintains a watching brief on the credit rating and financial health of Cameco and Orano.	Medium
(c) There is a risk that the storage facilities could be destroyed.	Cameco and Orano have contractual undertakings to either provide replacement U_3O_8 or pay Yellow Cake the replacement volume of such U_3O_8 in the event of a loss of Yellow Cake's inventory. As such, Yellow Cake does not have third party insurance arrangements in place to insure this risk. Cameco and Orano are not liable for consequential losses.	High
(d) The Company maintains cash balances in its current accounts in amounts that are material to the Company. The risk exists that the bank may not be able to repay the Company's cash or a fraud event occurs.	Cash balances are held with Citibank, a major global financial institution. Current accounts are operated by Langham Hall Fund Management (Jersey) Limited. The risk of fraud and embezzlement of funds is mitigated by multiple signatory and authorisation protocols in place with Langham Hall Fund Management (Jersey) Limited.	Medium

RISK MANAGEMENT CONTINUED

Nature and impact of risk	How we manage the risk	Risk level
2. Cash flow risk Yellow Cake may, in the future, have insufficient funds to pay operating expenses.	The Company continues to review and evaluate opportunities related to the ownership of uranium and other uranium-related activities, and may, from time to time, enter into transactions or arrangements which generate cash to support the Company's business. The Company is unlevered and seeks to maintain sufficient working capital to fund its ongoing operations. The Company has the right to sell, trade, lend, or otherwise commercialise some of its holdings of uranium in a manner which would provide cash to support its operations.	Medium
3. Operating risk The Company does not currently have any operating risk associated with the development or operation of primary or secondary mining operations, nor does the Company face risks associated with the transportation of uranium. As the Company reviews streaming, royalty or other opportunities, the Company may, should it choose to proceed with such opportunities, be exposed to certain operating risks to which the counterparties to the Company in such agreements are themselves exposed. The Company's operating risk relates primarily to the execution of purchase and sale transactions and other commercial contracts.	During the review and diligence phase of evaluating potential opportunities the Company considers potential risks and identifies ways to mitigate these potential risks Where potential risks are identified the Company will use appropriate contractual mechanisms to protect its interests. Additionally, the Company may choose to price in risk which cannot be mitigated in order to ensure that the risk/reward balance is appropriate.	Low
4. COVID-19 The short- to medium-term impact of the COVID-19 pandemic on the uranium value chain is uncertain. An extended shutdown could affect the Company's business model, ability to access capital and continue in business.	While uranium supply has been significantly impacted in the short term, early indications are that the impact on global demand for nuclear energy is likely to be less material. Nuclear energy is generally viewed as base load electricity supply. Demand for U_3O_8 could, however, be impacted if the pandemic subsequently impacts logistics and transportation involved in the nuclear fuel cycle chain. The Company's day-to-day operations are currently unaffected by COVID-19, given that it has no physical operations and the executive team is already home-based. As at 31 March 2021, Yellow Cake had sufficient cash balances to meet approximately 4.5 years of working capital requirements, after taking into account commitments to purchase USD110.0 million worth of U_3O_8 after the year end and to sell USD10.0 million worth of U_3O_8 after the year end, before it would need to raise additional funds. The Company has no debt or hedges on its balance sheet. The Company aims to retain three years' of working capital requirements following an equity issuance and may therefore apply some of its cash balances which are in excess of three years' working capital requirements to the purchase of additional uranium, subject to value.	High

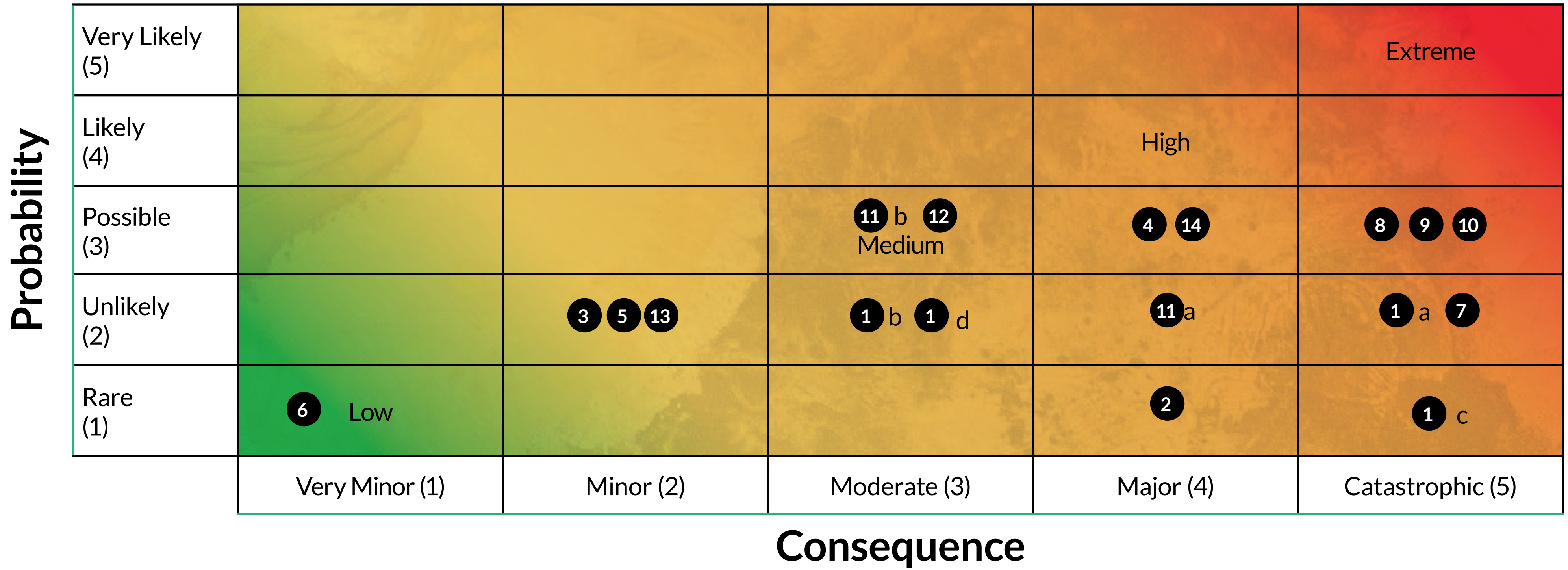
Nature and impact of risk	How we manage the risk	Risk level
Corporate risks		
5. Key personnel The Company is reliant on its Executive Directors and other key personnel. Any change to the Company's management and service providers may have a negative impact on its business.	The Company believes that its executive team, as well as the Board of Directors are dedicated to the long-term growth of the Company. However, in the event that any of these persons elects to leave the Company or discontinue provision of services, the Company is confident in its ability to find suitable replacements.	Low
6. Key service providers The Services Agreement with 308 Services Limited may be terminated by either party on one year's notice.	The Company believes that its advisers in 308 Services Limited are dedicated to the long-term growth of the Company. The Company does not expect that 308 Services Limited will elect to terminate its contract; however, in the event that such an event were to occur, the Company is confident in the ability of its executive management to find a suitable replacement. Additionally, the Company has the benefit of, and is the direct counterparty to its purchase contract with Kazatomprom and its storage contracts with Cameco and Orano. 308 Services is not a party to these agreements.	Low
Industry risks		
7. Regulatory regime Changes in laws around the ownership of uranium, or increased regulation or change in government policy around uranium and nuclear power generation could adversely affect the Company's business. Uncertainty remains as to whether nuclear power will be considered a sustainable source of energy under the EU taxonomy regulation. This may impact the Company's ability to access certain categories of capital.	The Company believes it is unlikely in the near to medium term that a significant change to the laws or regulations around the ownership or transfer of ownership of uranium or generation of nuclear power will occur. Additionally, as the Company's exposure is focused in Western Europe (where the Company is based and where some of the Company's U_3O_8 inventory is held) and North America (where the rest of the Company's U_3O_8 inventory is held), any changes, however unlikely, would be expected to be transparent and conducted in a legal manner which would have limited impact on the Company's value. The Company keeps a watching brief, with the advice of counsel and 308 Services Limited, on changes of legislation that may impact its business.	High
8. Industry The Company's operations are focused around uranium and uranium-related activities. Nuclear accidents could impact the future prospects for nuclear power, the key source of demand for U_3O_8.	The nuclear industry operates with one of the highest margins of safety in the world, with a number of safeguards and redundancies built into processes in order to reduce public health and safety risks. There are limited steps that the Company can undertake to impact the activities of other companies.	High

RISK MANAGEMENT CONTINUED

Nature and impact of risk	How we manage the risk	Risk level
Environmental, social and governance risks		
9. Environmental The Company operates in the resources sector, which is under increasing scrutiny from investors and other stakeholders with regards to how it manages its environmental responsibilities. Negative environmental trends in the resources sector could cause a significant withdrawal of capital and affect the share prices of listed companies in the sector and their ability to access equity capital markets.	Yellow Cake does not carry out exploration, development or mining operations, but is exposed to environmental risk via its suppliers, particularly through its partnership with Kazatomprom. The Company has limited influence over the activities of its suppliers but is committed to more responsible mining practices that mitigate the risk of climate change and damage to the environment. To ensure this, Yellow Cake regularly monitors its partners' environmental performance. Specifically, it appraises Kazatomprom's record with regard to greenhouse gas emissions, water management, waste and hazardous materials, radiation and safety, decommissioning of mining sites and land management. Cameco and Orano, as storage providers to Yellow Cake, are also monitored for environmental compliance and efficient use of resources. Yellow Cake's Supplier Standards Policy sets out the Company's position and expectation of its suppliers regarding their environmental, social and governance practices. Kazatomprom is listed on the London Stock Exchange (LSE) and Cameco is listed on the Toronto Stock Exchange (TSX). Listing on these exchanges require a commitment to good corporate governance and responsible environmental and social practices. Cameco's storage facilities are subject to strict licencing requirements by the Canadian Nuclear Safety Commission regarding the health and safety of the public and the environment.	High
10. Social Yellow Cake is exposed indirectly to social risk via its suppliers. Negative social trends in the resources sector could cause a significant withdrawal of capital and affect the share prices of listed companies in the sector and their ability to access equity capital markets.	Yellow Cake regularly monitors its partners' exposure to social risk by analysing incidents involving injury or fatality, storage facilities management, and response to COVID-19. Kazatomprom is a significant employer and tax contributor in Kazakhstan and Yellow Cake monitors its programmes of education and training as well as employee diversity and inclusion. Yellow Cake assesses Kazatomprom's human rights compliance and community relations particularly with regard to its mine closures. Yellow Cake will only continue to partner with companies with a good track record on social issues. Yellow Cake's Supplier Standards Policy sets out the Company's position and expectation of its suppliers regarding their environmental, social and governance practices. Kazatomprom is listed on the London Stock Exchange (LSE) and Cameco is listed on the Toronto Stock Exchange (TSX). Listing on these exchanges require a commitment to good corporate governance and responsible environmental and social practices. Cameco's storage facilities are subject to strict licencing requirements by the Canadian Nuclear Safety Commission regarding the health and safety of the public and the environment.	High

Nature and impact of risk	How we manage the risk	Risk level
11. Governance Yellow Cake is exposed indirectly to governance risk via Kazatomprom being based in Kazakhstan, a country which could be affected by political instability. As Kazatomprom is a State-Owned Enterprise, a change in the political leadership could negatively impact its corporate governance record should Kazatomprom's management and board become less independent. There is a risk that political instability could also initiate a challenge to contracts held between the Company and Kazatomprom. Bribery and corruption in the geographical regions in which the Company conducts business could materially adversely affect its business, results of operations and financial condition.	Kazatomprom is listed on the FCA's standard list in the UK. It is not required to comply with the UK Corporate Governance Code, although it is required to comply with relevant provisions of the FCA's Listing Rules and the Disclosure and Transparency Rules. Yellow Cake complies with the UK Corporate Governance Code insofar as appropriate given the Company's size, business, stage of development and resources, explains areas of non-compliance in its Annual Report, and regularly assesses its chief supplier Kazatomprom's corporate governance practices. The Company does not have assets in Kazakhstan and any deterioration in governance of Kazatomprom is only likely to impact on the future of its uranium supply contract. Yellow Cake closely monitors the extent of political risk and its effect on Kazatomprom's corporate governance performance. Yellow Cake's Supplier Standards Policy sets out the Company's position and expectation of its suppliers regarding their environmental, social and governance practices. Relations with suppliers is overseen by Yellow Cake's management and board, who are informed by regular due diligence. The Company has a zero tolerance towards bribery and corruption.	Medium
Financial Risks		
12. Uranium price The uranium price is volatile and affected by factors beyond the Company's control. A protracted period of weak uranium prices may limit the Company's ability to raise capital or fund itself.	The Company believes that uranium is structurally underpriced, and while the price may be volatile in the short term, over a longer time frame the Company believes the price of uranium will increase. The Company retains sufficient working capital to support its operations through short-term fluctuations. If necessary, the Company could realise some of its uranium inventory to fund working capital.	Medium
13. Foreign exchange The Company raises funds in Sterling while its functional currency is the US Dollar.	The Company maintains the majority of its cash resources in US Dollars and converts funds raised in Sterling to US Dollars as soon as practicable. However, prior to funds from a capital raise being settled, the Company is exposed to fluctuations in the GBP/USD exchange rate, but only for short durations.	Low
14. Taxation Changes in the tax position of the Company and its subsidiaries could adversely affect the Company. There is a risk that a country in which the Company operates changes its tax legislation, rules or policies to the detriment of the Company.	The Company manages this risk through complying with all tax regulations and ensuring that its local accounting policies are in line with regional requirements. The Company receives regular tax advice and opinions from its advisors and accountants to ensure it is aware of, and can mitigate the effects on its tax position of, any changes in regulation.	High

RISK MANAGEMENT CONTINUED



High Risk	
10	Social risk
9	Environmental risk
8	Industry risk
4	COVID-19
14	Taxation risk
7	Regulatory regime
1 a	Counterparty risk
1 c	Counterparty risk

Medium Risk	
12	Governance risk
11 b	Governance risk
11 a	Counterparty risk
1 b	Counterparty risk
1 d	Cash flow risk
2	Cash flow risk

Low Risk	
13	Foreign exchange risk
5	Key personnel
3	Operating risk
6	Key service providers

VIABILITY

COVID-19

While the COVID-19 pandemic continues to evolve, Yellow Cake's operations were not significantly affected during the first and second waves of the pandemic as the Company has no physical operations and the executive team was already home-based. The business continuity plans implemented at the Company's key business partners have to date been effective in enabling them to continue to provide all key support services that were provided to the Company prior to the pandemic outbreak.

As at 31 March 2021, Yellow Cake had sufficient cash balances to meet approximately 4.5 years of working capital requirements, after taking into account commitments to purchase USD110.0 million worth of U_3O_8 after the year end and to sell USD10.0 million worth of U_3O_8 after the year end, before it would need to raise additional funds.

On 21 June 2021, after year end, the Company issued 25 million new ordinary shares raising net proceeds of GBP60.6 million (USD equivalent: 84.0 million net of costs of USD2.9 million). The Company will apply the net proceeds to the purchase of additional uranium and towards working capital and general corporate purposes.

The Company has no debt or hedge liabilities on its balance sheet. The Company aims to retain three years' of working capital requirements following an equity issuance and may therefore apply some of its cash balances which are in excess of three years' working capital requirements to the purchase of additional uranium, subject to value.

The Company's operating expenses are in part linked to the underlying price of uranium. A 10% increase in the U_3O_8 price would increase the Company's operating expenses by approximately 3% and reduce the Company's estimated working capital balance by less than a month.

The global uranium supply has been significantly impacted by COVID-19 while the impact on global demand for nuclear energy has been relatively small. Yellow Cake believes that it is well positioned to benefit from the supply side pressure that has manifested since the start of the pandemic and the resulting uranium price increase.

The medium-to long-term impact of the COVID-19 pandemic on society and the uranium value chain remains uncertain. Notwithstanding this uncertainty, the Directors are satisfied that the Company's cash flow forecasts and projections, together with its cash position, absence of borrowings and ability to realise a portion of its inventory in the absence of other sources of capital, support the conclusion that the Company can reasonably be expected to continue in operation for the next three years.

VIABILITY STATEMENT

The Directors conducted an assessment of the Company's viability over a three-year period to March 2024, which the Directors believe is an appropriate timescale for existing and potential risks and opportunities to crystalise. Given the nature of the Company's operations which are not significantly income generative, the Company relies on the proceeds of its regular capital raises to acquire uranium and also to set aside sufficient cash to meet approximately three years' working capital requirements. The Directors consider that within a three-year time horizon, the Company can reasonably expect to secure additional working capital as required through further equity issuances, debt or the realisation of a portion of its uranium holdings. Detailed annual budgets are prepared against which performance is assessed, and the Company regularly reviews its medium-term working capital projections. Cash balances are retained sufficient to cover at least three years' working capital requirements, following a placing of shares or other capital raise.

The ultimate success of Yellow Cake depends on its ability to accretively grow its uranium holdings. However, the focus of the viability statement is on the existing business of the Company and its ability to meet existing contractual commitments and operating costs from current cash balances and, in "severe but plausible" scenarios, by realising or borrowing against a portion of its uranium holdings.

The viability assessment takes account of the Company's current financial position, operations and contractual commitments. The financial position includes the Company's cash balances, unleveraged balance sheet and realisable uranium holdings. Potential financial and operational impacts of the principal risks and uncertainties set out on pages 28 to 33 in severe but plausible scenarios were assessed. These included the impact of movements in the uranium price, foreign exchange fluctuations and operating risks, including the impact of COVID-19. Risk can never be fully eliminated, but can be mitigated to a level which the Directors are prepared to accept as necessary to execute the Company's strategy.

Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet all liabilities as they fall due up to March 2024.

BOARD OF DIRECTORS

NON-EXECUTIVE DIRECTORS

The Lord St John of Bletso

Independent Non-Executive Director and Chairman

Age: 63

Anthony St John has been a long-standing Crossbench Independent Member of the House of Lords. He has served on many Parliamentary Select Committees and is Vice Chairman of both the All-Party Parliamentary Africa Group and the All-Party South Africa Group. He qualified as a Solicitor in South Africa and worked for over twenty years in the City of London. He serves as a Director and Advisor to several UK listed and unlisted companies, including IDH plc, Smithson Investment Trust and Albion Ventures.

Amongst his business interests, his expertise has focused on corporate governance, financial restructuring and disruptive technologies. In addition to Yellow Cake plc, he is also Chairman of Strand Hanson.

Lord St John holds a Master of Law (LLM) in Chinese and Maritime Law from London University as well as degrees in BA, B.SocSc and B.Proc in South Africa.

Sofia Bianchi

Independent Non-Executive Director

Age: 64

Sofia Bianchi is the Founding Partner of Atlante Capital Partners, an advisory and turn-around specialist in emerging markets. She was previously Head of Special Situations, as well as a Member of the Investment Committee for Debt and Infrastructure, at the CDC Group plc, a development finance institution. Prior to this, she was Head of Special Situations at BlueCrest Capital Management.

Sofia Bianchi served as a Deputy Managing Director of the Emerging Africa Infrastructure Fund with Standard Bank London. From 1994 to 2002 Sofia held senior positions with the European Bank for Reconstruction and Development. She has extensive experience in banking, fund management and mergers and acquisitions, and served as an independent non-executive director of Kenmare Resources plc from 2008 to 2017. She is currently an independent non-executive director of Endeavour Mining Corporation.

Sofia Bianchi holds a Bachelor of Arts in Economics from George Washington University and a Master's in Business Administration (MBA) from the Wharton School.

The Hon Alexander Downer

Independent Non-Executive Director

Age: 69

The Hon Alexander Downer AC served as Australian High Commissioner to the United Kingdom from 2014 to 2018. He has had a long and distinguished political career in Australia, serving as Australia's Minister for Foreign Affairs, from 1996 to 2007, making him Australia's longest-serving Foreign Minister. Mr Downer also served as Opposition Leader and leader of the Australian Liberal Party from 1994 to 1995, and he was Member of the Australian Parliament for Mayo for over 20 years. He was appointed a Companion of the Order of Australia in 2013 and was awarded the Centenary Medal in 2001.

Alexander Downer holds a Bachelor of Arts (BA) (Hons) in Politics and Economics from Newcastle University.

Alan Rule

Independent Non-Executive Director

Age: 59

Alan Rule has more than 20 years' experience as a Chief Financial Officer and Company Secretary in the mining industry in Australia and Africa. He has considerable experience in international debt and equity financing of mining projects, implementation of accounting controls and systems, governance and regulatory requirements, and mergers and acquisitions. He currently serves as Chief Financial Officer of ASX-listed Australian lithium producer, Galaxy Resources Limited. His previous positions have also included CFO of uranium producer Paladin Energy Limited, Sundance Resources Limited, Mount Gibson Limited, Western Metals Limited and St Barbara Mines Limited.

Alan Rule holds a Bachelor of Commerce (B.Com) and a Bachelor of Accountancy (B.Acc) from the University of the Witwatersrand and is a Fellow of the Institute of Chartered Accountants (FCA) in Australia.

Alexandra Nethercott Parkes

Independent Non-Executive Director

Age: 38

Alexandra Nethercott-Parkes has over 16 years' experience in the Finance Industry, and has a wealth of experience in the administration of large real estate companies, UK REITs and capital markets deals. Alexandra acts as a Client Director of Langham Hall Fund Management (Jersey) Limited and holds directorships on a number of SPV boards of client companies focused on private equity and real estate. Having acted on the boards of both listed and regulated companies in her previous role as Assistant Vice President Deutsche Bank within the corporate services division in Jersey, Alexandra brings to the Board comprehensive knowledge of listing rules, EU regulation, capital markets and alternative investments.

Alexandra Nethercott-Parkes has been a Principal Person with the Jersey Financial Services Commission since 2016 and holds a BA (Hons) in Psychology with Economics, and is an Associate of the Institute of Chartered Secretaries. She was appointed to the Yellow Cake Board effective 18 July 2019. Alexandra Nethercott Parkes resigned from the Board with effect from 31 March 2021, following her resignation from Langham Hall Fund Management.

EXECUTIVE DIRECTORS

Emily Manning

Independent Non-Executive Director

Age: 32

Emily Manning has more than 12 years of experience in the Jersey finance industry, with a background in real estate, funds, corporate and private clients. Emily acts as a Client Director of Langham Hall Fund Management (Jersey) Limited and holds directorships with a number of real estate and private equity-based boards with a focus on commercial retail, private and residential development and European industrial logistics. She previously held directorships for a number of listed and regulated funds and real estate companies, including board positions with some of London's largest real estate developments, and oversaw capital markets transactions as part of a portfolio worth over USD13 billion assets under management.

Emily brings to the board comprehensive knowledge of the running and regulations of Jersey structures with a strong understanding of internal governance and company secretarial experience. Emily has been a Principal Person with the Jersey Financial Services Commission since 2018 and holds her ICSA Diploma table 4 qualification.

Emily Manning was appointed to the Yellow Cake Board effective 31 March 2021 following the resignation of Alexandra Nethercott-Parkes.

Andre Liebenberg

Executive Director and Chief Executive Officer

Age: 59

Andre Liebenberg is an experienced mining industry professional and has extensive investor marketing, finance, business development and leadership experience. He has spent over 25 years in private equity and investment banking, and held senior roles within BHP Billiton and most recently at QKR Corporation, where he was Chief Financial Officer. Andre's previous roles within BHP Billiton included Acting President for BHP Billiton's Energy Coal division, Chief Financial Officer for the Energy Coal division, the Head of Group Investor Relations and Chief Financial Officer for the Diamonds and Specialty Products division. These roles were based in London, Melbourne and Sydney. Prior to joining BHP Billiton, Andre worked for UBS in London and the Standard Bank Group in Johannesburg.

Andre Liebenberg is a non-executive director of Zeta Resources Limited.

He holds a Bachelor of Science (B.Sc) Elec. Eng. from the University of Cape Town and a Master in Business Administration (MBA) from the University of Cape Town.

Carole Whittall

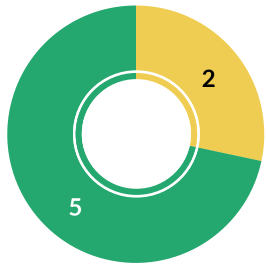
Executive Director and Chief Financial Officer

Age: 49

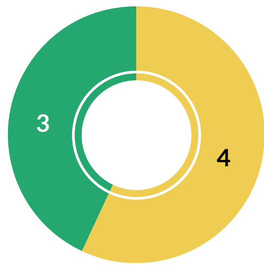
Carole Whittall is a director and co-founder of Mining Strategies Limited, which provides M&A and transaction advisory services to the metals and mining sector. She has 25 years' management, corporate finance and mergers and acquisitions experience in the metals and mining sector. Most recently, she was Vice President, Head of M&A at ArcelorMittal Mining and a member of its Mining Executive Team, responsible for global M&A, government relations and corporate and social responsibility, and served as a board member of subsidiary companies and joint ventures. Previously, she was with Rio Tinto where she held various senior commercial and business development roles. Her prior career was with JP Morgan and Standard Corporate and Merchant Bank in corporate finance.

Carole Whittall holds a Bachelor of Science (B.Sc) (Hons) Geology from the University of Cape Town and a Master in Business Administration (MBA) from the London Business School.

BOARD COMPOSITION



BOARD DIVERSITY



CORPORATE GOVERNANCE REPORT

In line with Yellow Cake's commitment to ensuring high standards of corporate governance, with a focus on generating and protecting value for shareholders, the Company has elected to comply with the principles and provisions of the UK Corporate Governance Code 2018 (the "Code") insofar as appropriate given the Company's size, business, stage of development and resources.

The directors of a Jersey company have a range of obligations and responsibilities placed upon them under Jersey law, which arise principally under Jersey customary law, under the Jersey Companies Law and under the Company's articles of association (the "Articles").

As Yellow Cake's business continues to evolve, the Company will seek to ensure that its governance processes and procedures evolve appropriately and in a manner that protects the interests of the Company and its shareholders.

COMPLIANCE WITH THE CODE

The Company considers that it was compliant with the majority of the provisions of the Code during the year to 31 March 2021. The table below provides references to where the Company's application of the Code's principles can be found and explains areas of non-compliance, which mainly reflect the Company's current size, stage of development and the scale and complexity of its activities.
The Company's Board of Directors (the "Board") continues to keep any instances of non-compliance under review.

Part 1: Board leadership and company purpose	
References	***Areas of non-compliance***
The Governance structure section on pages 40 to 42 provides information regarding the members, structure and activities of the Board.	**Provision 5** – Yellow Cake's workforce comprises its two Executive Directors and it is consequently not considered necessary to establish formal mechanisms for engagement with the Company's workforce. Yellow Cake's Remuneration Committee is responsible for monitoring the size and nature of the Company's workforce to determine, among other things, the appropriate level of engagement required by the Company with its workforce and whether the role and responsibilities of that committee should be expanded to include consideration of additional workforce related matters. If Yellow Cake's workforce increased significantly in the future, the Company would favour mandating one of its Non-Executive Directors with responsibility for representing the interests of the workforce (alongside their other duties).
Part 2: Division of responsibilities	
References	***Areas of non-compliance***
The Division of responsibilities section on page 43 contains information on the division of responsibilities among the Board.	**Provision 12** – The Board does not consider it necessary or desirable to appoint a Senior Independent Director at this stage, given the scale and complexity of the Company's activities. Those actions set out in the Code to be taken by a Senior Independent Director, including the recommendation that the Non-Executive Directors should meet at least annually with the Senior Independent Director without the chair present to appraise the chair's performance, will be taken by the Board as a whole. **Provision 13** – While the Chairman will hold meetings with the Non-Executive Directors without the Executive Directors present as and when appropriate and required, it is not currently anticipated that such meetings will take place on a regular basis due to the scale and complexity of the Company's current activities. **Provision 15** – Given the nature and extent of the Company's activities, the Company's policy is not to require individual Directors to seek prior approval of the Board before undertaking additional external appointments. Such appointments are, however, required to be disclosed to the Board. As the Company's business develops, the Board will periodically assess whether such policy continues to be appropriate.

Part 3: Composition, succession and evaluation

References

More information regarding the Board's composition, succession and evaluation are available in the Governance structure section on pages 40 to 42 as well as in the discussion of the Nomination Committee on pages 45 and 46.

Areas of non-compliance

Provision 21 – The Directors complete annual self-assessments to appraise the performance of the Board as a whole and feedback from the results is implemented, where relevant. Given the Company's size, stage of development and the scale and complexity of its activities, the Company does not consider it necessary at this point to conduct an externally facilitated board evaluation. The Board may also undergo periodic informal assessment processes. Each of the Audit, Remuneration and Nomination Committees reviews its effectiveness annually, in accordance with their terms of reference.

Part 4: Audit, risk and internal control

References

The role of the Board in this area is primarily shown in the **Report of the Audit Committee** on pages 47 and 48, with further detail on the Company's strategic objectives and key risks to the business being set out in the **Strategic Report** on pages 4 to 35.

Areas of non-compliance

Provision 25 – The Company does not currently have an internal audit function due to the current size and complexity of its activities. The decision as to whether or not to establish an internal audit function shall be made by the Board upon the recommendation of the Audit Committee. The Audit Committee considers annually whether there is a need for an internal audit function, taking into account the growth of the Company, the scale, diversity and complexity of the Company's activities and the number of employees, as well as cost and benefit considerations.

Part 5: Remuneration

References

Refer to the Company's **remuneration policy** and the **Report of the Remuneration Committee** on pages 49 to 58.

Areas of non-compliance

Provision 33 – The Remuneration Committee does not conduct a separate review of workforce remuneration and related policies and the alignment of incentives and rewards with culture as Yellow Cake's workforce currently comprises its two Executive Directors. Yellow Cake's Remuneration Committee has been mandated to monitor the size and nature of the Company's workforce in order to determine, among other things, whether the role and responsibilities of the Remuneration Committee should be expanded to include consideration of additional workforce-related matters.

CORPORATE GOVERNANCE REPORT CONTINUED

GOVERNANCE STRUCTURE

The Board is collectively responsible for promoting and safeguarding the long-term sustainable success of the Company, and for setting the Company's purpose, strategy and values. The Board assesses the basis on which the Company generates and preserves value over the long term.

Certain authorities have been delegated by the Board to the Board Committees and to the CEO and CFO, who are responsible for the day-to-day management of the business. The Board reserves certain decisions to ensure it retains proper direction and control of the Company, and monitors delivery against the Company's strategy. These include:

- Approval of financial statements, dividends and significant changes in accounting practices;
- Board membership and powers, including the appointment and removal of Board members, determining the terms of reference of the Board and establishing the overall control framework;
- Senior management and subsidiary Board appointments and remuneration;
- Key commercial matters;
- Risk assessment;
- Financial matters including the approval of the budget and financial plans, changes to the Company's capital structure, the Company's business strategy, acquisitions and disposals of businesses and capital expenditure; and
- Other matters including health and safety policy, insurance and legal compliance.

The Board is led by the Chairman and comprises two Executive Directors (the CEO and the CFO) and five Independent Non-Executive Directors (including the Chairman). In the year to 31 March 2021, at least half of the board, excluding the Chairman, was made up of Independent Non-Executive Directors.

Directors

The Lord St John of Bletso (Chairman)	*Independent Non-Executive Director*
Sofia Bianchi	*Independent Non-Executive Director*
The Hon Alexander Downer	*Independent Non-Executive Director*
Emily Manning†	*Independent Non-Executive Director*
Alexandra Nethercott-Parkes†	*Independent Non-Executive Director*
Alan Rule	*Independent Non-Executive Director*
Andre Liebenberg	*Executive Director and CEO*
Carole Whittall	*Executive Director and CFO*

† *Alexandra Nethercott-Parkes resigned from the Board effective 31 March 2021 and Emily Manning was appointed to the Board on the same date.*

Further detail on the Board members and their skills and experience can be found on pages 36 and 37.

The Board meets formally at least four times a year and is supported by the Audit, Remuneration and Nomination Committees. In the year to 31 March 2021, the Board met 14 times.

Meeting attendance	Date of appointment	Board	Audit Committee	Remuneration Committee	Nomination Committee	Attendance percentage
Number of meetings		**14**	**4**	**5**	**2**	
The Lord St John of Bletso (Chairman)	1 June 2018	14	N/A	4	2	**95%**
Sofia Bianchi	1 June 2018	14	4	5	2	**100%**
The Hon Alexander Downer	1 June 2018	14	4	5	2	**100%**
Alan Rule	1 June 2018	14	4	4	2	**96%**
Alexandra Nethercott-Parkes†	18 July 2019	14	4	5	2	**100%**
Andre Liebenberg (CEO)	1 June 2018	14	N/A	N/A	N/A	**100%**
Carole Whittall (CFO)	1 June 2018	14	N/A	N/A	N/A	**100%**
Attendance percentage		**100%**	**100%**	**92%**	**100%**	**99%**

† *Alexandra Nethercott-Parkes resigned from the Board effective 31 March 2021.*

Any Director who has concerns which cannot be resolved about the running of the Company, or a proposed action, will ensure that their concerns are recorded in the Board minutes at these meetings.

Board focus areas in 2020/2021

The primary focus of Board deliberations during the 2021 financial year included:

- Review and approval of the 2020 financial statements and the decision to not declare a dividend for the year;
- Review and approval to extend and increase the value of the share buyback programme that commenced in January 2020 and oversight of the programme to its conclusion in October 2020;
- Review and approval of the decision to sell 300,000 lb of U_3O_8 in June 2020 to fund the expanded share buyback programme;
- Review and approval of the decision to enter into location swap agreements in 2020;
- Review and approval of the decision to place 43 million shares in March 2021 and to apply the proceeds to acquire 4 million lb of U_3O_8, exercise the Kazatomprom option and purchase additional uranium; and
- Approval of the nomination of Emily Manning to the Board.

Board appointments and succession planning

The Nomination Committee oversees appointments to the Board and succession planning for both the Board and senior management, which are based on merit and objective criteria, including an assessment of the balance of skills, knowledge, experience and diversity of the Board. In accordance with the Code, all Directors voluntarily submit themselves for re-election on an annual basis, notwithstanding the provisions in the Articles, which state that they shall be required to retire at the first Annual General Meeting after appointment and, thereafter, every three years.

It is intended that the Chairman should not remain in his post for a period of more than nine years from the date of his appointment to the Board.

Service agreements for the Non-Executive Directors are terminable on 90 days' notice (by either party) and are available for inspection at the Company's registered office.

Directors' development

A comprehensive set of policies and manuals on regulatory and compliance matters is in place and has been adopted by the Board. The Directors received training on regulatory and compliance matters ahead of the Company's admission to AIM and set aside time at least once annually at their regular Board meetings for supplementary training and updates. Directors undergo a formal induction process on appointment. Directors have access to the Company Secretary and are entitled to seek professional advice at the Company's expense in connection with the affairs of the Company or the discharge of their Directors' duties.
The appointment and removal of the Company Secretary is a matter for the Board as a whole.

The Directors conduct an annual evaluation process to appraise the performance of the Board that assesses areas including the Board's role and responsibilities, the appointment process, Board effectiveness, Board meetings, the Board Chairman and the Company's ethics. The Board will monitor whether an externally facilitated appraisal should be implemented as the Company's business develops. In addition, the Board may undergo periodic informal assessment processes. In accordance with their terms of reference, each of the Audit, Remuneration and Nomination Committees reviews its effectiveness annually.

ETHICS AND INTEGRITY

The Board sets the Company's values, which are available in the Code of Conduct (www.yellowcakeplc.com/about/code-of-conduct/). The Directors seek to uphold those values in their dealings with each other and when dealing with third parties on the Company's behalf. The Board is mindful of the need to ensure that Yellow Cake's values and culture are maintained as its business evolves and will continue to assess and monitor the Company's culture, taking or seeking assurances as to corrective action where necessary.

CONFLICTS OF INTEREST

The Articles contain provisions governing conflicts of interest, including a restriction on Directors' ability to vote on certain contracts and arrangements in which they are interested. The Directors' service agreements require the Directors to devote sufficient time to fulfil their duties to the Company.

The Directors hold external directorships and/or are partners in various partnerships, and the Board is comfortable that these external positions do not negatively affect the time they devote to the Company.

REGULATORY MATTERS

The Company's share-dealing code for Directors and employees aligns with the provisions of the Market Abuse Regulation relating to dealings in the Company's securities. The code sets out clearance procedures and additional provisions for persons discharging managerial responsibilities. The Company's dealing policy defines the obligations of Directors and employees in relation to conduct regarding the use of inside information, and provides a summary of applicable laws and possible sanctions in terms of the market abuse regime. The Company will take all reasonable steps to ensure compliance with the code and policy.

CORPORATE GOVERNANCE REPORT CONTINUED

Yellow Cake's disclosure policy sets out the Company's key internal procedures, systems and controls that aim to ensure that the Company complies with its obligations relating to inside information under the Market Abuse Regulation, the guidance set out in the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and the Company's obligations relating to price-sensitive information under the AIM Rules for Companies.

The dealing code, dealing policy and disclosure policy were reviewed and updated during the year, and the updated code and policies were adopted by the Board in April 2021.

ANTI-MONEY LAUNDERING, ANTI-BRIBERY AND CORRUPTION POLICY

Yellow Cake is committed to acting professionally, fairly and with integrity in all business dealings and relationships. The Company recognises the importance of preventing money laundering and terrorism financing and is committed to the highest standards of anti-money laundering and combating terrorist financing. The Directors are committed to acting honestly and in good faith and the Company has a zero-tolerance for bribery and corrupt activities. During the year, the policy was revised, updated and expanded to include Yellow Cake's obligations in relation to sanctions and to explicitly address advantages offered to public officials. The revised policy was adopted by the Board in April 2021.

DIVERSITY AND INCLUSION

Yellow Cake values diversity and inclusion, and is committed to promoting equal opportunities in employment.
The Company complies with all relevant anti-discrimination laws. Employees and job applicants are treated equally regardless of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation. Recruitment and promotion will be conducted on the basis of merit, against objective criteria that avoid unfair discrimination.

Yellow Cake's equal opportunities policy is applied to all aspects of its operations, including recruitment, pay and conditions, training, appraisals, promotion, conduct at work, disciplinary and grievance procedures, and termination of employment.

RISK MANAGEMENT

A system of prudent and effective controls is in place to assess and manage risks effectively, and appropriate measures have been implemented for whistleblowing and to manage conflicts of interest. The Board has overall responsibility for the Company's risk management and determines the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives. The Audit Committee has been mandated to keep under review the Company's internal control and risk management systems and to report to the Board.

The Executive Directors undertake a regular assessment to identify and quantify the risks that face the Company's operations and functions, and to assess the adequacy of the prevention, monitoring and mitigation practices in place for those risks. The Board reviews the risk assessment and risk management processes carried out by the Executive Directors for completeness and accuracy, and receives regular updates from management.

More information on the Company's risk management processes, the primary risks and opportunities facing the Company and the internal control system is available on pages 28 to 34 and on page 60.

SHAREHOLDERS AND OTHER STAKEHOLDERS

The Board values its dialogue with stakeholders. As a Jersey-registered company, Yellow Cake is not required to prepare a s172 statement in accordance with UK legislation. However, it remains the policy of the Company to comply with high standards of corporate governance and we have voluntarily chosen to report how we take our stakeholders into consideration in running the business.

Yellow Cake's stakeholders include its shareholders, investors, analysts, employees (the Company's two Executive Directors), regulators, suppliers and customers. In performing their duties, the Directors consider and aim to act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the UK Companies Act, 2006 and Article 74(1) of the Companies Law of Jersey). In particular, the Board considers the following:

- the likely long-term consequences of any decision. As described in the Viability Statement on page 35, the Company prepares detailed annual budgets against which performance is assessed, and regularly reviews its medium-term working capital projections. The Company aims to retain cash balances sufficient to cover at least three years' working capital requirements following a placing of shares or other capital raise.
- the interests of the Company's employees. Our talented, experienced and motivated Executive Directors (being the only employees of the Company) are key to the success of our Company. Yellow Cake is committed to employing a diverse and balanced team to ensure an effective and talented workforce at all levels of the organisation, including the Board. The value we place on equal opportunities and diversity of ideas, skills, knowledge, experience, culture, ethnicity and gender

is evident in our daily operations and formalised in our policies and procedures. Our recruitment policy is to appoint individuals based on their skills, experience and suitability to the role, as well as their contribution to promoting diversity in the workforce.

- the need to foster the Company's business relationships with suppliers, customers and others. Our focus on long-term strategic thinking, and ability to foster close working relationships with our key strategic suppliers and advisers, in particular Kazatomprom, enable Yellow Cake to build deep and valuable relationships that help us to fulfil our strategy. Refer to page 17 for more information on Yellow Cake's key business relationships.
- the impact of the Company's activities on society and the environment. The Directors consider the impact of the Company's activities on society, the environment and Yellow Cake's reputation. Due to the nature of the Company's activities, its direct social and environmental impact is minimal. The Board nevertheless conducts due diligence on the Company's suppliers and business partners to ensure that they take a responsible approach to governance and environmental, social and ethical practices. Further information can be found on pages 18 to 20.
- the importance of maintaining the Company's reputation for high standards of business conduct. Yellow Cake is a Jersey-incorporated, Jersey tax domiciled Company which is quoted on AIM. Notwithstanding the reduced requirements of an AIM listing, we are committed to complying with the regulatory requirements in both Jersey and the UK, and operating to high standards of corporate governance. This Corporate Governance report illustrates how the Board and its Committees support business activities while maintaining a strong governance culture.
- the need to act fairly between members of the Company. The Board of Directors is committed to behaving in a responsible manner toward our shareholders and treating them fairly and equally, so they too may benefit from the successful delivery of our strategy. The Chairman and Non-Executive Directors meet regularly as part of the Board responsibility to ensure all shareholders are treated equally.

The Company proactively facilitates opportunities for engagement with its stakeholders, particularly with shareholders, investors and analysts, by participating in investor roadshows and conferences, conference calls, investor briefings with industry experts, media briefings, interviews, presentations and at the Annual General Meeting. Day-to-day queries raised by stakeholders are addressed by either the CEO or the CFO.
The Chairman is also available to the Company's major shareholders to discuss governance, strategy and performance as required, and ensures that the views of shareholders are clearly communicated to the Board.

The chairs of the Board Committees will seek engagement with shareholders on significant matters related to their areas of responsibility. The outcomes of meetings between members of the Board and shareholders are regularly communicated to the Board (including the Non-Executive Directors), including at Board meetings. Should 20% or more of shareholder votes be cast against the Board's recommendation for a resolution, the Company will follow the consultation and other requirements set out in the Code. At the 2020 Annual General Meeting held on 2 September 2020, all resolutions were passed with more than 80% shareholder approval.

Due to the COVID-19 pandemic, the majority of interactions with stakeholders took place remotely during the 2021 financial year and shareholders were invited to submit written questions to the Company for the 2020 Annual General Meeting.

GENERAL MEETING

On 26 May 2021, the Board gave notice to shareholders of a General Meeting which was held on 10 June 2021 to seek shareholder approval to renew its authorities to allot up to 25 million new ordinary shares prior to the Annual General Meeting in September 2021. Following the upsized share placing of circa USD140 million in March 2021, Yellow Cake had almost fully utilised the authorities to allot and issue new shares obtained at its Annual General Meeting in 2020, which restricted its ability to issue further new shares on an opportunistic basis prior to the renewal of the annual authorities at its 2021 Annual General Meeting.

At the meeting, the requisite shareholder approval was achieved, ensuring that Yellow Cake would be in a position to act opportunistically to identify new uranium purchase opportunities.

ANNUAL GENERAL MEETING

Yellow Cake's 2021 Annual General Meeting will be held at 10:00 a.m. on 8 September 2021 at the Company's offices at 3rd Floor Liberation House, Castle Street, St Helier, Jersey, JE1 2LH. Due to COVID-19, the meeting will be closed to participation. The notice of the Annual General Meeting will be available on our website and includes the full text of the separate resolutions proposed in respect of each substantive issue, together with accompanying explanatory notes and important information.

DIVISION OF RESPONSIBILITIES

The Chairman leads the Board and is responsible for its effectiveness, including by facilitating active participation by all members of the Board and ensuring effective communication between the Directors more generally in order to promote a culture of openness and debate. His responsibilities include ensuring that the Board has the

CORPORATE GOVERNANCE REPORT CONTINUED

necessary information to fulfil its duties, that Board meetings are effectively run, and promoting and overseeing the highest standards of corporate governance.
The Chair provides support and counsel to the CEO and CFO if requested, and has a key role in representing the Company in its communications with shareholders.

The roles of Chairman and CEO of Yellow Cake are separate and clearly delineated, and the Chairman meets the independence criteria set out in the Code. A written statement of the division of responsibilities between the Chairman and the CEO is in place and was approved by the Board.

The Board does not presently consider it necessary or desirable to appoint a senior independent director, given the stage of the Company's development, and the responsibilities of the senior independent director are shared between the Non-Executive Directors.

The CEO is responsible for setting corporate strategy and the direction of the Company, in conjunction with the Board. His responsibilities include organising the day-to-day operations of the Company, overseeing risk management, managing corporate actions and ensuring that the Company maintains compliance with all relevant regulatory bodies. The CEO has a key role in stakeholder engagement in the Company, including managing investor relations and engagement with investors, and engaging with suppliers, prospective suppliers, regulators and prospective providers of capital.

The CFO has overall responsibility for financial reporting, including budgets, monthly reports and annual accounts, and sets the Company's tax policy. She is responsible for maintaining adequate control procedures and supports the CEO regarding risk management, compliance and corporate actions. The CFO also plays a key role in stakeholder engagement initiatives.

More information regarding the role and responsibilities of the Chairman, Board, CEO and CFO is available on our website at https://www.yellowcakeplc.com/wp-content/uploads/2019/07/Role-of-Board-Chairman-CEO-and-CFO-.pdf

COMPANY SECRETARY

LHJ Secretaries Limited provides company secretarial services to the Company and advises the Board on all governance matters. Directors have unfettered access to the Company Secretary and removal of the Company Secretary is a matter for the Board as a whole.

BOARD COMMITTEES

The Board is supported by, and delegates certain matters to, the Audit, Remuneration and Nomination Committees. The terms of reference of these committees are available for inspection at the Company's registered office and on our website at www.yellowcakeplc.com/investors/the-board/board-committees. During the year, the terms of reference were reviewed and updated, and the updated terms of reference were approved by the Board in April 2021.

In accordance with their terms of reference, each of the committees reviews its effectiveness annually.

AUDIT COMMITTEE

Audit Committee members

Alan Rule (Chairman)	*Independent Non-Executive Director*
Sofia Bianchi	*Independent Non-Executive Director*
The Hon Alexander Downer	*Independent Non-Executive Director*
Emily Manning‡	*Independent Non-Executive Director*
Alexandra Nethercott-Parkes†	*Independent Non-Executive Director*

‡ *Appointed to the Board on 31 March 2021 and to the Audit Committee on 28 April 2021.*

† *Resigned from the Board and Audit Committee effective 31 March 2021.*

The Audit Committee comprises the Independent Non-Executive Directors and assists the Board in fulfilling its responsibilities by, inter alia, reviewing and monitoring the integrity of the financial statements of the Company, ensuring that the Company's financial statements comply with the requirements of the Code and overseeing the Company's relationship with its external auditor. The committee is also mandated to keep under review the Company's internal control and risk management systems and to report to the Board. In line with the recommendations of the Code, the Board Chairman is not a member of the Audit Committee.

The Chief Financial Officer and external auditor are invited to meetings of the Audit Committee on a regular basis and other non-members may be invited to attend all or part of any meeting as and when appropriate.

The Audit Committee meets at least twice each financial year and has unrestricted access to the Company's auditor. During the year under review, the committee met four times and attendance is shown on page 40.

More information on the roles and responsibilities of the Audit Committee and its activities during the year to 31 March 2021 is available in the Report of the Audit Committee on pages 47 and 48.

REMUNERATION COMMITTEE

Remuneration Committee members

The Hon Alexander Downer (Chairman)	*Independent Non-Executive Director*
The Lord St John of Bletso	*Independent Non-Executive Director*
Sofia Bianchi	*Independent Non-Executive Director*
Emily Manning‡	*Independent Non-Executive Director*
Alexandra Nethercott-Parkes†	*Independent Non-Executive Director*
Alan Rule	*Independent Non-Executive Director*

‡ *Appointed to the Board on 31 March 2021 and to the Remuneration Committee on 28 April 2021.*
† *Resigned from the Board and Remuneration Committee effective 31 March 2021.*

The Remuneration Committee's responsibilities include setting the remuneration policy for Executive Directors and for determining the total individual remuneration package of the Chairman and the executive directors. In determining remuneration policy, the committee takes account of the need to align executive remuneration to the Company's purpose and values and to clearly link this to the successful delivery of the Company's long-term strategy.

The Remuneration Committee comprises the Independent Non-Executive Directors.

It is intended that any person who is appointed as the Chair of the Remuneration Committee in the future should have at least 12 months' experience serving on a remuneration committee prior to appointment.

More information on the roles and responsibilities of the Remuneration Committee and its activities during the year is available in the Director's Remuneration Report on page 49.

NOMINATION COMMITTEE

Nomination Committee members

The Lord St John of Bletso (Chairman)	*Independent Non-Executive Director*
The Hon Alexander Downer	*Independent Non-Executive Director*
Sofia Bianchi	*Independent Non-Executive Director*
Emily Manning‡	*Independent Non-Executive Director*
Alexandra Nethercott-Parkes†	*Independent Non-Executive Director*
Alan Rule	*Independent Non-Executive Director*

‡ *Appointed to the Board on 31 March 2021 and to the Nomination Committee on 28 April 2021.*
† *Resigned from the Board and Nomination Committee effective 31 March 2021.*

The Nomination Committee comprises the Independent Non-Executive Directors and meets at least twice each year. During the year under review, the committee met twice and attendance at these meeting is shown on page 40.

The Nomination Committee assists the Board in fulfilling its responsibilities by, inter alia, reviewing the structure, size and composition of the Board, as well as the Board Committees. When evaluating the composition of the Board, the committee considers the length of service of the Board as a whole and any requirements as to tenure set out in the Code.

The committee oversees appointments to the Board and is responsible for overseeing a diverse pipeline for succession to both the Board and senior management. Appointments and succession plans are based on merit and objective criteria, and new appointments to the Board are subject to a rigorous approval process. Within this context, the committee aims to promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

The committee's terms of reference stipulate that the chairman of the Nomination Committee will not chair the committee when dealing with the appointment of his successor.

It is intended that an external search consultant will generally be used for the appointment of the Chairman or a non-executive director, although the Nomination Committee may deviate from this where appropriate to ensure, for example, that an incoming appointee has at least the equivalent skill set of an outgoing appointee.

The duties of the Nomination Committee include:

- regularly reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and making recommendations to the Board with regard to any changes;
- succession planning for Executive and Non-Executive Directors and in particular for the key roles of Chairman and Chief Executive;
- identifying and nominating candidates to fill Board vacancies for the approval of the Board when these arise;
- reviewing the leadership needs of the Company, both Executive and Non-Executive; and
- making recommendations to the Board regarding:
  - membership of Board Committees in consultation with the chairpersons of those committees;
  - the re-appointment of any Non-Executive Director at the conclusion of their specified term;
  - the re-election by shareholders of any Director under the re-election provisions of the Code or the "retirement by rotation" provisions in the Articles; and

CORPORATE GOVERNANCE REPORT CONTINUED

- matters relating to the continuation in office of any Director including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions of the law and their service contract.

Nomination Committee focus areas in 2020/2021

During the year under review the primary focus areas of the Nomination Committee included:

- reviewing the leadership needs of the Company;
- reviewing the requirements for annual re-election of Directors under the Code for the financial year commencing 1 April 2020; and
- reviewing candidates for appointment to the Board following the resignation of Alexandra Nethercott-Parkes and recommending Emily Manning to the Board for appointment.

The Nomination Committee recommended to the Board that each of the Directors be submitted for re-election at the Annual General Meeting on 8 September 2021.

REPORT OF THE AUDIT COMMITTEE

The four Independent Non-Executive Directors that serve on the Audit Committee all have relevant financial experience through the various leadership roles they have held. The Chairman of the committee is a Fellow of the Institute of Accountants of Australia. Details of the Directors' qualifications and experience are available on pages 36 and 37.

The committee gives due consideration to applicable laws and regulations, the provisions of the Code, the requirements of the Companies (Jersey) Law 1991 and the requirements of the London Stock Exchange's rules for AIM companies, as appropriate.

The Chairman of the committee reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities, and how it has discharged its responsibilities. The Chairman of the Audit Committee makes himself available at the Annual General Meeting to answer questions concerning the committee's work.

The committee conducts an annual review of its effectiveness as well as its constitution and terms of reference to ensure it is operating at maximum effectiveness. Changes arising from these reviews are recommended to the Board for approval.

The Audit Committee has access to sufficient resources to carry out its duties, including access to the Company Secretary for assistance as required.

The committee's full terms of reference are available on our website at www.yellowcakeplc.com/investors/the-board/board-committees.

Key duties of the Audit Committee include:

- monitoring the integrity of the Company's financial reporting;
- reviewing the consistency of, and any changes to, accounting policies both on a year-on-year basis and across the Company, and reviewing whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- reviewing the Company's internal financial controls and internal control and risk management systems;
- reviewing the adequacy and security of the Company's whistleblowing facilities for employees and contractors, and ensuring that these facilities allow for investigation and appropriate follow up action in respect of any reports made;
- reviewing the Company's systems, procedures and controls for detecting fraud, the Company's bribery and money laundering systems and controls, and the adequacy and effectiveness of its compliance function;
- considering annually whether there is a need for an internal audit function, taking into account the growth of the Company, the scale, diversity and complexity of the Company's activities and the number of employees, as well as cost and benefit considerations;
- making recommendations to the Board (to be put to shareholders for approval at the Annual General Meeting) in relation to the appointment of the external auditor;
- managing and overseeing the relationship with the external auditor, including their terms of engagement and remuneration; and
- meeting regularly with the external auditor and reviewing their findings.

FINANCIAL REPORTING

The Audit Committee reviewed and assessed the Company's financial reporting in the 2021 financial year, including its half-year report, results announcements and this Annual Report. This review included, where appropriate:

- an assessment of the consistency of, and changes to, accounting policies, estimates and judgements;
- the methods used to account for significant or unusual transactions;
- the appropriateness of the accounting standards used;
- obtaining independent tax advice;
- the clarity and completeness of disclosures and the context in which statements are made; and
- a review of material disclosures regarding audit and risk management in the financial statements, including in the strategic report and this corporate governance statement.

In reviewing the Company's financial statements, the Audit Committee considered the Company's accounting policies, particularly in relation to the uranium investment, and the accounting estimates and judgements as described on pages 72 to 75. In addition to the publicly released reports, the committee's review covered management reports as well as reports from and discussions with the external auditor.

The Audit Committee provided comment and feedback on this Annual Report before finalisation and approval. The review concluded that, taken as a whole, this Annual Report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

REPORT OF THE AUDIT COMMITTEE CONTINUED

INTERNAL AUDIT

Each year the Audit Committee considers whether there is a need for an internal audit function in the context of the growth of the Company, the scale, diversity and complexity of the Company's activities and the number of employees, as well as cost and benefit considerations.

The Audit Committee has concluded that it is currently not necessary for the Company to have an internal audit function given that the business operates from a single site and has a high degree of senior oversight by the CEO and CFO.

EXTERNAL AUDITOR

The Audit Committee oversees the Company's relationship with the external auditor, RSM UK Audit LLP, who have been the Company's external auditor since its listing in 2018. The committee has recommended to the Board that shareholders be asked to approve the re-appointment of RSM UK Audit LLP as auditor at the Annual General Meeting.

The Audit Committee discharged its duties regarding the Company's interactions with its external auditor in accordance with its terms of reference during the year to 31 March 2021, including:

- approving the engagement of the external auditor;
- reviewing and approving the annual audit plan;
- meeting regularly with the external auditor. The committee also met with the external auditor without management being present, to discuss their remit and any issues arising from the audit;
- reviewing the findings of the audit of the financial statements for the year ended 31 March 2021 with the external auditor;
- reviewing the management representation letter requested by the external auditor before it was signed by management and management's response to the auditor's findings and recommendations; and
- reviewing the effectiveness of the audit process.

Given the size and nature of the Company's business, the Audit Committee is able to work directly with the auditor to assess its effectiveness, and also received feedback from the CFO. The year under review is the Company's third financial year and consequently there are no current plans to put the appointment of its auditor through a formal tender process.

NON-AUDIT SERVICES

A formal policy is in place to govern non-audit services provided by the external auditor to safeguard independence and objectivity. In the current year, there were no non-audit services performed by RSM (2020: USD5,581 and 8%).

WHISTLEBLOWING

Yellow Cake's whistleblowing policy sets out the Company's commitment to conducting its business openly and honestly, and encourages all staff to report any wrongdoing that falls short of the Company's standards. It also commits the Company to treat all such disclosures in a confidential and sensitive manner, and outlines the protection and support available for whistle-blowers. As Yellow Cake's workforce comprises two Executive Directors (the CEO and CFO), there is currently no separate whistleblowing channel in place as these Directors can raise any concerns directly with the Audit Committee and Board. No whistleblowing reports were received by the Audit Committee during the year. The whistleblowing policy was reviewed and updated during the year, and adopted by the Board in April 2021.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has mandated the Audit Committee to keep the Company's internal control and risk management systems under review. The Company's internal controls and risk management systems support the integrity of the financial reporting process and the preparation of accounts.

These systems include policies and procedures to ensure that adequate accounting records are maintained and transactions are recorded accurately and fairly to permit the preparation of financial statements in accordance with IFRS. The key elements of the Company's system of internal controls are discussed on page 60 of this report.

The committee reviews the system of internal controls and regularly assesses its effectiveness. The feedback provided by the external auditor regarding issues identified during its engagement informs the committee's assessment, particularly feedback relating to any control weaknesses and the responses from management to these issues. During the year the committee reviewed the Company's risk management and material controls, including financial, operational and compliance controls, and concluded that these were effective and appropriate given the size and nature of the Company.

2021/2022 FOCUS AREAS

The primary focus areas for the Audit Committee in the year ahead will be:

- financial reporting;
- risk management; and
- internal controls.

Alan Rule
Audit Committee Chair

18 July 2021

DIRECTORS' REMUNERATION REPORT

Dear Shareholder,

It is with great pleasure that I present the Company's Directors' Remuneration Report for the year ended 31 March 2021.

The Remuneration Committee's policy is to openly engage with shareholders to obtain feedback on the existing remuneration policy and any proposed revisions. In the first half of the 2021 financial year, the Remuneration Committee engaged with the Company's shareholders with regards to the remuneration policy. Further engagement with the Company's largest shareholders took place following the March 2021 share placing, which resulted in a significant change to the Company's shareholder register.

The Company's remuneration policy outlined on pages 50 to 52 was developed in the 2019 financial year with the assistance of independent remuneration consultants, MM&K Limited. MM&K provides no other services to, and has no other connection with, the Company.

Yellow Cake plc's workforce comprises only two employees; its CEO and CFO. The management culture is to focus on successful outcomes and the Company's business strategy is to achieve this by investing in long-term holdings of U_30_8.

The remuneration policy is designed to attract, retain and motivate the quality of Directors and employees required to develop and implement the Company's business strategy and run a successful and sustainable business for the benefit of all stakeholders. It is consistent with the Company's values, culture, remuneration philosophy and business strategy. Above all, it has been designed to be simple.

The policy comprises three components:

- a base salary;
- an annual bonus to reward achievement of key performance indicators, in the form of nil-cost or nominal-cost share options or cash; and
- a long-term incentive in the form of share options based on the estimated net asset value of the Company at grant date or the market price, whichever is higher.

The short- and long-term incentives were designed to reward growth and take account of risks through equity participation, and to align employee rewards with shareholder returns. During the year under review, the long-term incentive plan was amended in accordance with its rules, such that the exercise price per share for all outstanding options is now based on the higher of the estimated net asset value per share on the grant date and the average market price in the week prior to the grant date. The committee is of the view that this change more closely aligns employee rewards with shareholder returns.

The year under review is the second year in which the remuneration policy has been applied. The Board evaluated the performance of the Executive Management of the Company against the corporate objectives agreed by the Board at the beginning of the financial year and the annual bonuses for the year based on the executive performance measured against a scorecard of performance targets, a summary of which was included in the 2020 annual report.

In light of the economic circumstances brought about by the COVID-19 pandemic in 2020, the Remuneration Committee took the decision to defer half of the bonus option award in respect of the 2020 financial year (the full award being equal to 70% of base salary) until after the 2020 Annual General Meeting. Having regard to the COVID-19 situation, the Remuneration Committee also decided to reduce the annual base salaries of the Chief Executive Officer and the Chief Financial Officer by USD22,000 effective 1 October 2020. Following this reduction, the annualised base salaries of the Chief Executive Officer and the Chief Financial Officer were respectively USD193,000 and USD150,000.

The Remuneration Committee assessed the performance outcome of the Executive Management during the 2021 financial year and determined to award a cash bonus equal to 30% of base salary taking into account the company's performance and the broader economic environment.

The Remuneration Committee will review the long-term incentive scheme in the coming year and as a consequence will not award any long-term incentive options in relation to the 2022 financial year.

The annual bonus and incentive awards are shown in the tables on pages 52 to 57.

The Remuneration Committee reviewed the base salaries of the Executive Directors and proposed to increase these from the reduced 2021 levels to USD212,300 and USD165,000 for the Chief Executive Officer and the Chief Financial Officer respectively for the financial year ending 31 March 2022.

Alexander Downer
Remuneration Committee Chair

18 July 2021

DIRECTORS' REMUNERATION REPORT CONTINUED

RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

The Remuneration Committee is responsible for, among other things, determining the total individual remuneration package of the Chairman and the Executive Directors in accordance with the terms of the Company's remuneration policy, determined in conjunction with the Board.

The committee comprises five Independent Non-Executive Directors and meets at least twice a year. During the year under review, the committee met five times and details of the committee members and their record of attendance at meetings during the year are available on page 40.

Key duties of the Remuneration Committee include:

- determining and agreeing with the Board the policy for the remuneration of the Chairman of the Board and the Executive Directors, including pension rights and compensation payments;
- recommending and monitoring the level and structure of remuneration for senior management;
- within the terms of the agreed policy and in consultation with the Chairman and/or CEO as appropriate, determining the total individual remuneration package of the Chairman and the Executive Directors;
- ensuring there is an appropriate level of engagement with the CEO and CFO (currently the Company's only employees) to monitor the continued effectiveness of the Company's remuneration policy and practice; and
- reviewing the operation of share option schemes and the granting of such options.

The full terms of the reference for the committee are available on our website at www.yellowcakeplc.com/investors/the-board/board-committees.

The remuneration of Non-Executive Directors is a matter for the Board or the Shareholders, within the limits set in the Articles. No Director is involved in any decisions as to their own remuneration.

ACTIVITIES DURING 2020/2021

During the year to 31 March 2021, the Remuneration Committee discharged its duties by:

- reviewing and approving the Executive Directors' annual bonus performance scorecard for the 2021 financial year;
- engaging with shareholders on concerns relating to executive compensation;
- reviewing the Company's remuneration policy and its effective implementation during the year; and
- reviewing relevant provisions of the Code.

2021/2022 FOCUS AREAS

The main objectives for the Remuneration Committee in the financial year ended 31 March 2022 will be to:

- review and approve the Executive Director annual bonus performance scorecard for the 2022 financial year;
- review the short-term and long-term incentive scheme; and
- maintain an ongoing review of remuneration levels and structures for Executive Directors, the Chairman and Non-Executive Directors.

ANNUAL REPORT ON DIRECTORS' REMUNERATION

This report describes the Company's remuneration policy and remuneration outcomes for Executive Directors for the year ended 31 March 2021.

REMUNERATION COMMITTEE MEMBERSHIP DURING THE YEAR

The tables on pages 40 and 45 show the members of the Remuneration Committee and their dates of appointment.

REMUNERATION POLICY AND PRACTICES

In determining the remuneration policy, the committee takes account of the need to align executive remuneration to company purpose and values and to clearly link this to successful delivery of the Company's long-term strategy. The policy and the Company's remuneration practices have been designed to address the following factors: clarity, simplicity, risk, predictability, proportionality and alignment to culture.

The Remuneration Committee's terms of reference require it to ensure that the Company's remuneration schemes and practices allow the committee discretion to override formulaic outcomes. When reviewing the Company's remuneration schemes and practices, the Remuneration Committee considers, inter alia, the underlying financial performance of the Company, vesting and holding periods, post-employment shareholding requirements for both unvested and vested shares, malus and clawback provisions.

No Directors are involved in any decisions as to their own remuneration.

The table below describes the components of the Company's remuneration policy for Executive Directors.

Remuneration element	Purpose, link to strategy and operation	Opportunity and performance metrics	Remuneration Committee discretion
Salary	A base annual salary is essential to attract and retain key executives. It is reviewed annually based on: • role, experience and individual performance; • external market practices; and • the general economic environment.	Salaries are benchmarked to the relevant market median, taking account of the individual's time commitments to the Company.	Salaries may be reviewed annually by the committee.
Benefits	Directors are not entitled to any non-cash benefits.		
Pension	Directors are not entitled to any company pension contributions.		
Annual Bonus	The annual bonus rewards achievement of annual key performance indicators (KPIs). Bonus awards are determined after the relevant year-end based on the committee's assessment of achievement against the KPI targets. Initially, bonus awards will be made wholly in the form of nil-cost or nominal-cost share options.	An annual bonus of up to 100% of salary may be awarded for exceptional performance. The committee sets annual targets and weightings, and performance is measured over a single financial year. The committee may at its discretion award a cash annual bonus in lieu of shares, having regard the Company's cash position.	The committee may make upwards and downwards adjustments to bonus awards to ensure they are consistent with the underlying performance of the business or to give effect to malus or clawback provisions. Performance targets may be amended if there is a significant event which causes the committee to believe that the original targets are no longer achievable or appropriate. The committee will undertake a review of this annual bonus in 2021/2022.
Long-term Incentive	The long-term incentive aims to align the interests of management and shareholders, and encourages retention. Long-term incentives may be granted annually and currently take the form of market-priced share options.	The exercise price of the options multiplied by the number of options granted may not exceed 125% of salary.	The committee retains the discretion to give effect to malus and clawback provisions, and to impose performance conditions on the vesting of incentive awards, should it wish to do so. The committee will undertake a review of this incentive scheme in 2021/2022.

DIRECTORS' REMUNERATION REPORT CONTINUED

EXECUTIVE DIRECTORS' RECRUITMENT POLICY

Remuneration packages for new Executive Directors will be determined by the Remuneration Committee and designed in accordance with the approved remuneration policy, provided that the committee, in consultation with the Nomination Committee, may exercise its discretion to depart from the policy described above if necessary to secure the recruitment of a new Executive Director.

TERMS OF THE EXECUTIVE DIRECTORS' SERVICE CONTRACTS

Executive Directors are engaged on rolling service contracts, which provide for three months' written notice of termination from either the individual or the Company.

TERMINATION POLICY

Any compensation payment made to an Executive Director for termination of employment will be determined with reference to the terms of the individual's service agreement, the rules of any incentive plan in which the individual is a participant and the individual's obligation to mitigate loss.

NON-EXECUTIVE DIRECTORS' APPOINTMENT AND REMUNERATION

The remuneration of Non-Executive Directors is determined by the Board in accordance with the Company's articles of association and does not include performance-related incentives. Non-Executive Directors are engaged by letter of appointment terminable on three months' written notice from either the individual or the Company.

IMPLEMENTATION OF THE REMUNERATION POLICY IN 2020/2021

The salaries earned for the current year and proposed base salary for the financial year ending 31 March 2022 are shown in the table below. In view of the socioeconomic challenges precipitated by the COVID-19 pandemic at the start of the financial year, the CEO and the CFO agreed to a reduction in their annual base salaries from USD215,000 p.a. and USD172,000 p.a. respectively to USD193,000 p.a. and USD150,000 p.a. respectively, effective 1 October 2020. Effective 1 July 2021, the annual base salaries of the CEO and the CFO were adjusted upwards from the previously reduced levels to USD212,300 p.a. and USD165,000 p.a. respectively.

ANNUAL BONUS

The annual bonus is based on commercial targets and is capped at 100% of base salary, subject to performance, as determined by the Board. The bonus awards take the form of nil-cost or nominal cost options (which normally vest and become exercisable not earlier than one year after grant) or cash.

Annual bonus awards in respect of the 2020 financial year

During the year under review, the following annual bonus awards were made in respect of the 2020 financial year. The award proposed and included in the 2020 Annual Report was split into two tranches of 35% of base salary each, both with a vesting date of 8 July 2021. The grant of the first tranche was made on 8 July 2020 and the second deferred until after the Company's Annual General Meeting on 2 September 2020, having regard to the uncertainty created by COVID-19 at the time of finalisation of the 2020 awards. The performance scorecard for the 2020 annual bonus calculation is described in the 2020 Annual Report.

First Tranche of Grant	Award date	Face value of award as a % of base salary	Number of options awarded	Vesting date
Chief Executive Officer	8 July 2020	35%	27,392	8 July 2021
Chief Financial Officer	8 July 2020	35%	21,913	8 July 2021
Total			**49,305**	

The grant of the second tranche will be made on 26 July 2021, following the Company's closed period.

All annual bonus options awarded on 8 July 2020 have an exercise price of 1 pence per share and are exercisable one year after the date of grant, save in certain circumstances including a change of control of the Company, and will expire 18 months after the date of grant.

Annual bonus awards in respect of the 2021 financial year

The performance scorecard for the evaluation of the executive team during the 2021 financial year is summarised as follows:

Corporate performance, comprising:

- cost effective growth in the Company's uranium inventory;
- management of the discount to net asset value;
- effective capital raising and funding of uranium purchases;
- financial control and risk management;
- reporting and budgeting; and
- implementation of an ESG framework, policies and reporting.

Reputation, stakeholder engagement and investor relations, comprising:

- implementation of an effective investor relations programme;
- engagement with equity and debt providers; and
- engagement with suppliers, prospective suppliers and regulators and other stakeholders and potential stakeholders as appropriate.

Based on the performance scorecard for the 2021 financial year, the Remuneration Committee has resolved at its discretion to make the following cash bonus awards, equivalent to 30% of base salary.

	USD '000
Chief Executive Officer	58
Chief Financial Officer	45

During the year ended 31 March 2021, the Executive Directors led the successful completion of a share buyback programme and the sale of uranium to fund the buyback, and the implementation of a circa USD140 million equity raise. As a result of the transactions completed or committed to during the financial year, the Company's uranium holdings have increased by approximately 40%. The number of shareholders has also increased with additional high quality institutions and more retail investors added to the share register. Shareholder engagement increased significantly with a view to maintaining investor interest, even while the Company was trading at a discount to net asset value in 2020, temporarily constraining growth.

The Remuneration Committee considers that these actions have created significant shareholder value, notably through the purchase of 4,156,385 shares at a 21% discount to net asset value in 2020, the successful completion of the circa USD140 million equity raise and the subsequent use of these proceeds to purchase a net 4.0 million lb of U_3O_8, during the financial year and after year end, at an average price of USD28.83/lb. Uranium swap transactions agreed during the financial year generated net proceeds of USD1 million. Operating costs were effectively managed to budget. As such, the Remuneration Committee considers that the Executive Directors have delivered effectively against the KPIs outlined in the performance scorecard for the 2021 financial year.

Annual bonus awards in respect of the 2022 financial year

The Remuneration Committee reviewed the annual bonus performance scorecard for the 2021 financial year. The annual bonus calculation for the 2022 financial year will assess:

- Corporate performance, comprising:
  - cost effective growth in the Company's uranium inventory;
  - effective capital raising and funding of uranium purchases;
  - financial control and risk management;
  - reporting and budgeting; and
  - actions to address any discount to net asset value.
- Reputation, stakeholder engagement and investor relations, comprising:
  - implementation of an effective investor relations programme;
  - engagement with equity and debt providers;
  - ongoing management of the ESG framework, policies and reporting; and
  - engagement with suppliers, prospective suppliers and regulators and other stakeholders and potential stakeholders as appropriate.

DIRECTORS' REMUNERATION REPORT CONTINUED

LONG-TERM INCENTIVE

The long-term incentive is in the form of options granted to acquire shares in the Company that will become exercisable not earlier than three years after grant, save in certain circumstances including a change of control of the Company, and will expire ten years after the date of grant. They are subject to a post-vesting holding period of not less than two years (although permission may be granted to sell shares in order to meet tax liabilities). The exercise price of the options multiplied by the number of options granted may not exceed 125% of salary. Each option gives the right to acquire one share in the Company. The long-term incentive award relating to a financial year is usually granted at the beginning of that financial year.

The long-term incentive plan was initially structured such that the exercise price per share was based on the average share price at the grant date and the awards granted in February 2020 (for the 2020 financial year) and July 2020 (for the 2021 financial year) were made on this basis. In December 2020, the Remuneration Committee resolved to amend the plan in accordance with its rules such that the exercise price per share of those awards will be the higher of the market price and the estimated net asset value per share on the grant date.

The long-term incentive options may be exercised subject to the condition that the share price as at the exercise date being greater than the net asset value per share as at the date of grant and subject to continued employment by the Company. The Remuneration Committee retains the discretion to impose additional performance conditions on the vesting of incentive awards, should it wish to do so.

Long-term incentive awards in respect of the 2021 financial year

The following long-term incentives were awarded on 8 July 2020 in relation to the 2021 financial year, as disclosed in the Company's 2020 annual report. Refer to Note 10 to the Financial Statements for more details:

	Share options awarded	Fair value at grant date USD'000	Vesting date
Chief Executive Officer	78,262	26	8 July 2023
Chief Financial Officer	62,609	21	8 July 2023
Total	**140,871**	**47**	

The long-term incentive options awarded on 8 July 2020 had an exercise price of GBP2.18 per share (being the average of the mid-market closing price of the ordinary shares of the Company on AIM over the five consecutive dealing days immediately preceding the grant date). As a result of the amendment to the long-term incentive plan discussed above, the exercise price of these options was increased from GBP2.18 per share to GBP2.88 per share (being the estimated net asset value per share of the Company on 8 July 2020).

The long-term incentive options awarded on 24 February 2020 had an exercise price of GBP1.97 per share (being the average of the mid-market closing price of the ordinary shares of the Company on AIM over the five consecutive dealing days immediately preceding the grant date) and are exercisable three years after the date of grant. As a result of the amendment to the long-term incentive plan discussed above, the exercise price of these options was increased from GBP1.97 per share to GBP2.13 per share (being the estimated net asset value per share of the Company on 24 February 2020).

The long-term incentive options are exercisable three years after the date of grant and must be held for a further two years. Details of the long-term incentive options held by the Executive Directors at year end are as follows:

	Share options awarded	Date of Award	Revised exercise price	Value at award date USD'000	Vesting date
Chief Executive Officer					
FY2020	84,480	24 February 2020	GBP2.13	35	24 February 2023
FY2021	78,262	8 July 2020	GBP2.88	26	8 July 2023
Total	**162,742**			**61**	

	Share options awarded	Date of Award	Revised exercise price	Value at award date USD'000	Vesting date
Chief Financial Officer					
FY2020	67,584	24 February 2020	GBP2.13	28	24 February 2023
FY2021	62,609	8 July 2020	GBP2.88	21	8 July 2023
Total	**130,193**			**49**	

DIRECTORS' REMUNERATION REPORT CONTINUED

Long-term incentive awards in respect of the 2022 financial year

The Remuneration Committee has resolved to review the long-term incentive plan and as a consequence no grant of long-term incentive options will be made for the time being in respect of the 2022 financial year.

DIRECTORS' TOTAL COMBINED REMUNERATION FOR THE YEAR ENDED 31 MARCH 2021

Director	Salaries and Fees USD '000	(A) Annual Bonus USD '000	(B) LTIP USD '000	(A)+(B) Total Variable Pay USD '000	Total USD '000
Executive Directors					
Andre Liebenberg	204	60	17	77	281
Carole Whittall	161	48	14	62	223
Non-Executive Directors					
The Lord St John of Bletso	50	–	–	–	50
Sofia Bianchi	40	–	–	–	40
Alexander Downer	40	–	–	–	40
Alan Rule	40	–	–	–	40
Emily Manning	Note 1	–	–	–	Note 1
Alexandra Nethercott-Parkes†	Note 1	–	–	–	Note 1
Total	**535**	**108**	**31**	**139**	**674**

The amounts indicated for the annual bonus and LTIP above correspond to the amount recognised in profit and loss for the year ended 31 March 2021. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Note 1: Ms Manning's and Ms Nethercott-Parkes' services were supplied pursuant to an administration agreement between the Company and Langham Hall Fund Management (Jersey) Limited dated 18 December 2017 and amended on 7 January 2019. The annual administration fee payable by the Company under such agreement in the year ended 31 March 2021 is GBP134,975 (USD173,802) (2020: GBP125,608 (USD161,317).

† Ms Nethercott-Parkes resigned from the Yellow Cake Board effective 31 March 2021.

DIRECTORS' TOTAL COMBINED REMUNERATION FOR THE YEAR ENDED 31 MARCH 2020

Director	Salaries and Fees USD '000	(A) Annual Bonus USD '000	(B) LTIP USD '000	(A)+(B) Total Variable Pay USD '000	Total USD '000
Executive Directors					
Andre Liebenberg	215	–	1	1	216
Carole Whittall	172	–	1	1	173
Non-Executive Directors					
The Lord St John of Bletso	50	–	–	–	50
Sofia Bianchi	40	–	–	–	40
Alexander Downer	40	–	–	–	40
Alan Rule	40	–	–	–	40
Alexandra Nethercott-Parkes	Note 1	–	–	–	Note 1
James Keating†	Note 1	–	–	–	Note 1
Total	**557**	**–**	**2**	**2**	**559**

The amounts indicated for the annual bonus and LTIP above correspond to the amount recognised in profit and loss for the year ended 31 March 2020. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Note 1: Mr Keating's and Ms Nethercott-Parkes' services were supplied pursuant to an administration agreement between the Company and Langham Hall Fund Management (Jersey) Limited dated 18 December 2017 and amended on 7 January 2019. The annual administration fee payable by the Company under such agreement in the year ended 31 March 2020 was GBP125,608 (USD161,317).

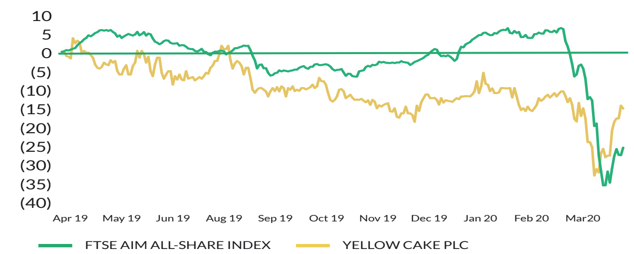
† Mr Keating resigned from the Yellow Cake Board effective 31 May 2019.

No Director received any non-cash benefits or pension provision. There were no payments to past Directors and no payments of compensation for loss of office.

TOTAL SHAREHOLDER RETURN (TSR) PERFORMANCE

The performance of the Company's ordinary shares compared with the FTSE AIM All Share Index (the "Index") for the financial year to 31 March 2021 is shown in the graph below:

TOTAL SHAREHOLDER RETURN (%)



DIRECTORS' REMUNERATION REPORT CONTINUED

STATEMENT OF DIRECTORS' SHARE INTERESTS

The number of shares held by each Director in the Company as at 31 March 2021 is shown in the table below. There is no shareholding requirement for Directors.

Name	Number of ordinary shares	% of share capital (excluding treasury shares)
The Lord St John of Bletso*	26,302	0.02%
Sofia Bianchi	13,186	0.01%
The Hon Alexander Downer	29,925	0.02%
Emily Manning	–	–
Alexandra Nethercott-Parkes	–	–
Alan Rule	18,837	0.01%
Andre Liebenberg	73,207	0.06%
Carole Whittall	11,302	0.01%

* *The Lord St John of Bletso's shares are held through African Business Solutions Limited, in which he holds 100% of the Ordinary Shares.*
While the Non-Executive Directors hold shares in the Company, the holdings are considered sufficiently small so as not to impinge on their independence.

Alexander Downer
Remuneration Committee Chair

18 July 2021

DIRECTORS' REPORT

The Directors of Yellow Cake plc (the "Company") present their report and the audited financial statements for the Company for the year ended 31 March 2021. The financial statements of the Company have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

PRINCIPAL ACTIVITIES

Yellow Cake plc was incorporated in Jersey, Channel Islands on 18 January 2018. The Company operates in the uranium sector and was created to purchase and hold U_3O_8 and to exploit other uranium-related opportunities. The strategy of the Company is to invest long term in holdings of U_3O_8 and not to actively speculate with regards to short-term changes in the price of U_3O_8.

The Company was admitted to list on the London Stock Exchange AIM market ("AIM") on 5 July 2018.

RESULTS FOR THE PERIOD

The results of the Company for the year are set out on pages 68 to 89.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Strategic Report on pages 4 to 35 provides a review of the year's activities, operations, future developments and key risks.

DIRECTORS

The Directors who held office during the period and subsequently were as follows:

- The Lord St John of Bletso (Chairman)
- Sofia Bianchi
- The Hon Alexander Downer
- Alan Rule
- Alexandra Nethercott-Parkes†
- Andre Liebenberg
- Carole Whittall
- Emily Manning

† *Alexandra Nethercott-Parkes resigned from the Yellow Cake Board and was replaced by Emily Manning with effect from 31 March 2021.*

DIRECTORS' INTERESTS

The Audit and Remuneration Committee reports are available on pages 47 and 49 respectively.

Details of the Directors' interests in the Company's shares can be found in the remuneration report on page 58.

There are no outstanding loans granted by any member of the Company to the Directors or any guarantees provided by the Company for the benefit of the Directors.

No Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or which is or was significant in respect of the business of the Company and which was effected by the Company during the current or immediately preceding financial year, or which was effected during an earlier financial year and remains in any respect outstanding or unperformed.

DIRECTORS' INDEMNITIES

The Company maintains appropriate insurance cover in respect of legal action against its Directors.

DIVIDENDS

The Directors do not recommend an ordinary dividend for the year.

EVENTS AFTER THE REPORTING DATE

On 3 March 2021, Yellow Cake exercised the Kazatomprom option to acquire a further 3.5 million lb of U_3O_8 for an aggregate cash consideration of USD100.0 million. The Kazatomprom purchase completed after financial year end and the Company took delivery of the uranium on 21 June 2021. Yellow Cake accepted Uranium Royalty Corp's option exercise notice to purchase 348,068 lb of U_3O_8 from Yellow Cake at USD28.73/lb for an aggregate cash consideration of USD10.0 million. The sale to Uranium Royalty Corp completed after financial year end on 28 April 2021. On 6 May 2021, the Company committed to purchase 343,053 lb of U_3O_8 at a price of USD29.15/lb for an aggregate cash consideration of USD10.0 million. The transaction completed on 20 May 2021.

On 21 June 2021, the Company issued 25 million new ordinary shares at a price of GBP2.50 per share, raising net proceeds of GBP60.6 million (USD equivalent: 84.0 million net of costs of USD2.9 million). The Company expects to apply the proceeds to the following transactions:

- In July 2021, the Company concluded agreements to purchase a further 550,000 lb of U_3O_8 in the spot market at an average price of USD32.35/lb for a total consideration of USD17.8 million. The Company will take delivery of this uranium between July and August 2021.
- The Company expects to conclude an agreement with Kazatomprom to purchase a further 2.0 million lb of U_3O_8 at a price of USD32.23/lb for a total consideration of USD64.5 million for delivery between October and December 2021, pursuant to Kazatomprom's offer of 12 June 2021.

FINANCIAL RISK MANAGEMENT

Details of financial risk management are provided in note 3 to the financial statements.

DIRECTORS' REPORT CONTINUED

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made no charitable or political contributions during the year.

INTERNAL CONTROL

The Board is responsible for the Company's risk management and internal control systems, and has mandated the Audit Committee to keep these systems under review and to report to the Board.

The controls in place are appropriate to the size and nature of the business, and to the risks relevant to it. They include controls over financial, operational and compliance risks. The Audit Committee reviews the system of internal controls together with reports from the external auditor regarding issues identified during its engagement, particularly those relating to any control weaknesses, and the responses from management.

The Company's system of internal control is designed to provide the Directors with reasonable, but not absolute, assurance that the Company will not be hindered in achieving its business objectives, or in the orderly and legitimate conduct of its business, by circumstances that may reasonably be foreseen. However, no system of internal control can eliminate the possibility of poor judgement in decision making, human error, fraud or other unlawful behaviour, management overriding controls, or the occurrence of unforeseeable circumstances and the resulting potential for material misstatement or loss.

The key elements of the control system in operation are as follows:

- The Board meets regularly with a formal schedule of matters reserved to it for decision.
- The Company has an organisational structure and has put in place operating protocols and procedures ensuring clear lines of responsibility and appropriate delegation of authority.
- The Board monitors the Company's financial performance against budgets and forecasts.
- The Executive Directors undertake a regular assessment process, to identify and quantify the risks that face the Company's operations and functions, and to assess the adequacy of the prevention, monitoring and mitigation practices in place for those risks.
- The Board is responsible for reviewing the risk assessment and risk management processes for completeness and accuracy.
- The Board receives regular updates from management in addition to carefully considering the Company's risk register at regular intervals.
- There are no significant issues disclosed in the report and financial statements for the year ended 31 March 2021 and up to the date of approval of the report and financial statements that have required the Board to deal with any related material internal control issues.

The Directors confirm that the Board has reviewed the effectiveness of the system of internal control during the year and concluded that the controls and procedures are adequate. The Board will continue to review the adequacy of the Company's internal controls and will test the controls and procedures again during the 2022 financial year.

CORPORATE GOVERNANCE

The corporate governance report on pages 38 to 46 forms part of this Directors' report.

GOING CONCERN

COVID-19

The COVID-19 pandemic continues to evolve and the Board is monitoring the ongoing impact on Yellow Cake's activities, the uranium industry and the world economy. The Company's operations were not significantly affected during the first and second waves of the pandemic as the Company has no physical operations and the executive team was already home-based. The business continuity plans implemented at the Company's key business partners have to date been effective in enabling them to continue to provide all key support services that were provided to the Company prior to the pandemic outbreak.

As at 31 March 2021, Yellow Cake had sufficient cash balances to meet approximately 4.5 years of working capital requirements, after taking into account commitments to purchase USD110.0 million worth of U_3O_8 after the year end and to sell USD10.0 million worth of U_3O_8 after the year end, before it would need to raise additional funds.

On 21 June 2021, after year end, the Company issued 25 million new ordinary shares raising net proceeds of GBP60.6 million (USD equivalent: 84.0 million net of costs of USD2.9 million). The Company will apply the net proceeds to the purchase of additional uranium and towards working capital and general corporate purposes.

The Company has no debt or hedge liabilities on its balance sheet. The Company aims to retain three years' of working capital requirements following an equity issuance and may therefore apply some of its cash balances which are in excess of three years' working capital requirements to the purchase of additional uranium, subject to value.

The Directors, having considered the Company's objectives and available resources along with its projected income and expenditure for at least 12 months from the date of approval of the financial statements, are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors have adopted the going concern basis in preparing these financial statements.

PURCHASE OF OWN SHARES

The share buyback programme initiated in January 2020 was concluded in October 2020. Over the course of the programme, 4,156,385 of the Company's shares were repurchased for a total consideration of GBP8.9 million (USD11.5 million) at a volume weighted average price of GBP2.13 per share and volume weighted average discount to net asset value of 21%. The shares repurchased are held in treasury.

SUBSTANTIAL SHAREHOLDINGS

As at 30 June 2021, Yellow Cake had 157,740,730 in issue of which 4,156,385 shares were held in treasury.

The Company was aware of the following holdings of 3% or more in the Company's issued share capital:

Significant shareholders	Number of Shares	Percentage of issued share capital excluding treasury shares
MM Asset Management	21,293,653	13.86%
Brandes Investment Partners	9,498,889	6.18%
Kopernik Global Investors	7,351,086	4.79%
Uranium Royalty Corporation	6,957,431	4.53%
Interactive Brokers (EO)	6,645,541	4.33%
Exchange Traded Concepts Trust	6,449,712	4.20%
Sachem Cove Partners	5,612,950	3.65%
Goldman Sachs collateral account	5,589,987	3.64%
Hargreaves Lansdown, stockbrokers (EO)	5,551,172	3.61%

STATEMENT OF DISCLOSURE TO THE AUDITOR

The Directors have taken the necessary steps to make themselves aware of the information needed by the external auditor for the purposes of its audit and to establish that the auditor is aware of that information. The Directors are not aware of any relevant audit information of which the auditor is unaware.

AUDITOR APPOINTMENT

RSM UK Audit LLP was the auditor during the year under review and have expressed their willingness to continue as auditor of the Company. A resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable laws and regulations.

Jersey Company law requires directors to prepare Financial Statements for each financial year in accordance with any generally accepted accounting principles. The Directors have elected to use International Accounting Standards in conformity with the requirements of the Companies Act 2006. The Company's financial statements are required by law to give a true and fair view of the state of affairs of the Company at the year-end and of the profit or loss for the year then ended.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping accounting records which are sufficient to show and explain the Company's transactions and are such as to disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements prepared by the Company comply with the requirements of the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and, accordingly, for taking reasonable steps to further the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Information published on the website is accessible in many countries, and legislation in Jersey and the relevant provisions of the AIM Rules for Companies governing the preparation and dissemination of financial statements may differ from legislation and the rules in other jurisdictions. The Directors' responsibility also extends to the continued integrity of the financial statements contained therein.

The Directors have reviewed this Annual Report and have concluded that, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

By order of the Board

Andre Liebenberg
Chief Executive Officer
18 July 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YELLOW CAKE PLC

OPINION

We have audited the financial statements of Yellow Cake plc (the 'company') for the year ended 31 March 2021 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going-concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included audit of three-year forecasts prepared by management and corroboration of cash balances.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the entities reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going-concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

SUMMARY OF OUR AUDIT APPROACH

Key audit matters	• Investment in uranium
Materiality	• Overall materiality: $6,140,000 (2020: $4,160,000) • Performance materiality: $4,600,000 (2020: $3,120,000)
Scope	Our audit procedures covered 100% of total assets and 100% of profit before tax.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INVESTMENT IN URANIUM

Key audit matter description	The Company's business model is based on holding investments in uranium. The Company's accounting policy is that uranium is held at fair value based on the most recent month-end spot rate price for U_3O_8 published by UxC LLC. The Company's holding of uranium is held by a third-party and valuation of the investment in uranium is considered to be a key audit matter because errors in measurement of quantity or use of an inaccurate period-end price could result in a material misstatement of the value of the Company's investment in uranium. Details of the Company's investment in uranium are disclosed in note 4 in the financial statements.
How the matter was addressed in the audit	Our response to the risk included: • obtaining direct third-party confirmation of the quantity of uranium held at 31 March 2021; • corroborating the purchases and disposals of uranium during the year and consideration of the accounting treatment applied to these transactions; • corroboration of the price used to value the investment at 31 March 2021 to published market price information and recalculation of the fair value; and • consideration of the appropriateness of the Company's accounting policy and disclosures made in the financial statements.

OUR APPLICATION OF MATERIALITY

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

Overall materiality	$6,140,000 (2020: $4,160,000)
Basis for determining overall materiality	1.43% (2020: 1.54%) of total assets
Rationale for benchmark applied	The company's business model is based on long-term holding of investments in uranium, which represents the majority of total assets. Total assets is therefore considered to be the most appropriate benchmark.
Performance materiality	$4,600,000 (2020: $3,120,000)
Basis for determining performance materiality	75% (2020: 75%) of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of $307,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

The company has been subject to a full scope audit. The audit was scoped to ensure that we obtained sufficient and appropriate audit evidence in respect of the significant business operations of the Company and the appropriateness of the going-concern assumption used in the preparation of the financial statements.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the parent company or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have failed to obtain any information or explanation that, to the best of our knowledge and belief, was necessary for our audit.

CORPORATE GOVERNANCE STATEMENT

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going-concern basis of accounting and any material uncertainties identified;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why this period is appropriate;
- Directors' statement on fair, balanced and understandable;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and
- The section describing the work of the audit committee.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 61, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going-concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

THE EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation/Regulation	Additional audit procedures performed by the audit engagement team included:
International Accounting Standards in conformity with the requirements of the Companies Act 2006 and Companies (Jersey) Law 1991	Review of the financial statement disclosures and testing to supporting documentation. Completion of disclosure checklists to identify areas of non-compliance.
UK Corporate Governance Code	Review of financial statement disclosures against the requirements of the UK Corporate Governance Code.
Tax compliance regulations	Inspection of advice received from external tax advisors and review of their assessment of the tax implications of activities in different jurisdictions.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is included in appendix 1 of this auditor's report. This description, forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Graham Ricketts
For and on behalf of RSM UK Audit LLP, Auditor
Chartered Accountants

25 Farringdon Street
London
EC4A 4AB
18 July 2021

APPENDIX 1: AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, including the FRC's Ethical Standard as applied to listed entities, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

FINANCIAL STATEMENTS

04

Financial statements

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 March 2021 USD'000	As at 31 March 2020 USD'000
ASSETS			
Non-current assets			
Investment in uranium	4	302,098	263,489
Total non-current assets		**302,098**	**263,489**
Current assets			
Trade and other receivables	5	119	89
Cash and cash equivalents	6	126,159	6,481
Total current assets		**126,278**	**6,570**
Total assets		**428,376**	**270,059**
LIABILITIES			
Non-current liabilities			
Uranium derivative liability	7	–	(2,587)
Total non-current liabilities		**–**	**(2,587)**
Current liabilities			
Trade and other payables	8	(3,621)	(392)
Uranium derivative liability	7	(3,361)	–
Total current liabilities		**(6,982)**	**(392)**
Total liabilities		**(6,982)**	**(2,979)**
NET ASSETS		**421,394**	**267,080**
EQUITY			
Attributable to the equity owners of the company			
Share capital	9	1,785	1,164
Share premium	9	358,812	224,437
Share-based payment reserve	10	141	2
Treasury shares	11	(11,458)	(726)
Retained earnings		72,114	42,203
TOTAL EQUITY		**421,394**	**267,080**

The financial statements of Yellow Cake plc and the related notes were approved by the Directors on 18 July 2021 and are signed on its behalf by:

Andre Liebenberg

Chief Executive Officer

STATEMENT OF COMPREHENSIVE INCOME

	Notes	1 April 2020 to 31 March 2021 USD'000	1 April 2019 to 31 March 2020 USD'000
Uranium related profit			
Fair value movement of investment in uranium	4	33,365	15,714
Uranium swap income	4	1,145	–
Premium to spot price on disposal of uranium	4	180	–
Fair value movement of uranium derivative liability	7	(774)	212
Total uranium related profit		**33,916**	**15,926**
Expenses			
Share-based payments	10	(139)	(2)
Equity offering expenses	9	(681)	(547)
Commission on uranium transactions	12	(282)	(152)
Procurement and market consultancy fees	12	(1,124)	(1,017)
Other operating expenses	13	(1,739)	(1,756)
Total expenses		**(3,965)**	**(3,474)**
Bank interest income		3	104
Loss on foreign exchange		(43)	(47)
Profit before tax attributable to the equity owners of the Company		**29,911**	**12,509**
Tax expense	14	–	–
Profit and total comprehensive income for the year after tax attributable to the equity owners of the Company		**29,911**	**12,509**
Basic earnings per share attributable to the equity owners of the Company (USD)	16	0.34	0.14
Diluted earnings per share attributable to the equity owners of the Company (USD)	16	0.33	0.14

STATEMENT OF CHANGE IN EQUITY

Attributable to the equity owners of the company

	Notes	Share capital USD'000	Share premium USD'000	Share based payment reserve USD'000	Treasury shares USD'000	Retained earnings USD'000	**Total equity USD'000**
As at 31 March 2019		**1,007**	**192,248**	**–**	**–**	**29,694**	**222,949**
Total comprehensive income after tax for the year		–	–	–	–	12,509	**12,509**
Transactions with owners:							
Shares issued	9	157	33,608	–	–	–	**33,765**
Share issue costs	9	–	(1,419)	–	–	–	**(1,419)**
Share incentive options	10	–	–	2	–	–	**2**
Purchase of own shares	11	–	–	–	(726)	–	**(726)**
As at 31 March 2020		**1,164**	**224,437**	**2**	**(726)**	**42,203**	**267,080**
Total comprehensive income after tax for the year		–	–	–	–	29,911	**29,911**
Transactions with owners:							
Shares issued	9	621	137,879	–	–	–	**138,500**
Share issue costs	9	–	(3,504)	–	-	–	**(3,504)**
Share incentive options	10	–	–	139	–	–	**139**
Purchase of own shares	11	–	–	–	(10,732)	–	**(10,732)**
As at 31 March 2021		**1,785**	**358,812**	**141**	**(11,458)**	**72,114**	**421,394**

STATEMENT OF CASH FLOWS

	Notes	1 April 2020 to 31 March 2021 USD'000	1 April 2019 to 31 March 2020 USD'000
Cash flows from operating activities			
Profit after tax		29,911	12,509
Adjustments for:			
Change in fair value of investment in uranium	4	(33,365)	(15,714)
Change in fair value of uranium derivative liability	7	774	(212)
Premium to spot price on disposal of uranium	4	(180)	–
Share based payments	10	139	2
Loss/(gain) on foreign exchange		43	47
Interest income		(3)	(104)
Operating profit before changes in capital		**(2,681)**	**(3,472)**
Changes in working capital:			
Increase in trade and other receivables		(29)	(73)
Increase in trade and other payables		3,216	14
Cash generated from/(used in) operating activities		**506**	**(3,531)**
Interest received		3	104
Cash generated from/(used in) operating activities		**509**	**(3,427)**
Cash flows from investing activities			
Purchase of uranium	4	(15,025)	(30,409)
Proceeds of sale of uranium	4	9,960	–
Net cash used in investing activities		**(5,065)**	**(30,409)**
Cash flows from financing activities			
Proceeds from issue of shares	9	138,500	33,765
Issue costs paid	9	(3,504)	(1,419)
Share buyback programme	11	(10,732)	(726)
Net cash generated from financing activities		**124,264**	**31,620**
Net increase/(decrease) in cash and cash equivalents during the year		119,708	(2,216)
Cash and cash equivalents at the beginning of the year		6,481	8,750
Effect of exchange rate changes		(30)	(53)
Cash and cash equivalents at the end of the year		**126,159**	**6,481**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. GENERAL INFORMATION

Yellow Cake plc (the "Company") was incorporated in Jersey, Channel Islands on 18 January 2018. The address of the registered office is Liberation House, Castle Street, St Helier, Jersey, JE1 2LH.

The Company operates in the uranium sector and was created to purchase and hold U_3O_8. The strategy of the Company is to invest in long-term holdings of U_3O_8 and not to actively speculate with regards to short-term changes in the price of U_3O_8.

The Company was admitted to list on the London Stock Exchange AIM market ("AIM") on 5 July 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These audited financial statements of the Company for the year 1 April 2020 to 31 March 2021 have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

New and revised standards

At the date of approval of these financial statements there are no new or revised standards that are in issue but not yet effective and are relevant to the financial statements of the Company.

The principal accounting policies adopted are set out below.

Going concern

The Directors, having considered the Company's objectives and available resources along with its projected income and expenditure for at least twelve months from the date of approval of the audited financial statements, are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors have adopted the going concern basis in preparing these audited financial statements.

The COVID-19 pandemic has had a material impact on the general economy and a number of the Company's counterparties. The Company's operations however continue to remain unaffected by COVID-19, given that it has no physical operations and the executive team is already home-based. The Company's key service providers have put in place effective business continuity plans that have enabled them to continue with the provision of all key support services that were provided to the Company prior to the pandemic outbreak.

After taking into account the Company's post year end commitments to purchase USD109,999,982 of U_3O_8 and to sell USD10,000,000 of U_3O_8, the Company considered that as at 31 March 2021 it had sufficient cash balances to meet approximately 4.5 years of working capital requirements before it would need to raise additional funds. The Company has no debt or hedge liabilities on its balance sheet.

On 21 June 2021, after year end, the Company issued 25 million new ordinary shares raising net proceeds of GBP60.6 million (USD equivalent: 84.0 million net of costs of USD2.9 million. The Company will apply the net proceeds to the purchase of additional uranium and towards working capital and general corporate purposes.

The Company aims to retain three years' of working capital requirements following an equity issuance and may therefore apply some of its cash balances which are in excess of three years' working capital requirements to the purchase of additional uranium, subject to value.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2021

Sale of uranium and uranium swaps

The income in respect of disposals of uranium is recognised at the point when the significant risks and rewards of ownership and legal title have been transferred to the buyer. At the point of disposal the carrying value of the uranium, being the spot price, is derecognised from the balance sheet.

The gain or loss on disposal of uranium is calculated as the difference between the sale price and the carrying value, being the spot price, at the point of sale. This gain or loss is reflected as a premium or discount to the spot price on a separate line in the statement of comprehensive income during the period in which the disposal occurs.

The Company has entered into certain uranium location swap agreements under which it has agreed to exchange, by way of book transfer, an equal quantity of uranium between specified storage facilities. In certain instances, the location swap is temporary and the uranium will be swapped back to the original location at the end of an agreed term. Where the swap is temporary and for a fixed term, the income which the Company is entitled to receive in consideration for the swap is recognised over the term of the swap, in line with the substance of the transaction and delivery of the related performance obligations.

Investments in uranium

Acquisitions of U_3O_8 are initially recorded at cost net of transaction costs incurred and are recognised in the Company's statement of financial position on the date the risks and rewards of ownership pass to the Company, which is the date that the legal title to the uranium passes.

After initial recognition, investments in U_3O_8 are measured at fair value based on the most recent month-end spot price for U_3O_8 published by UxC LLC.

IFRS lacks specific guidance in respect of accounting for investments in uranium. As such the Directors of the Company have considered the requirements of International Accounting Standard 1 "Presentation of Financial Statements" and International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors" to develop and apply an accounting policy. The Directors of the Company consider that measuring the investment in U_3O_8 at fair value provides information that is most relevant to the economic decision-making of users. This is consistent with International Accounting Standard 40 Investment Property, which allows for assets held for long-term capital appreciation to be presented at fair value.

Foreign currency translation

Functional and presentation currency

The financial statements are presented in United States Dollars ("USD") which is also the functional currency of the Company.

These financial statements are presented to the nearest round thousand, unless otherwise stated.

Foreign currency translation

Transactions denominated in foreign currencies are translated into USD at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into USD at the rate of exchange ruling at the reporting date. Foreign exchange gains or losses arising on translation are recognised through profit or loss in the statement of comprehensive income.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. The Company shall offset financial assets and financial liabilities if the Company has a legally enforceable right to set off the recognised amounts and intends to settle on a net basis.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2021

The carrying amount of the Company's financial assets and financial liabilities are a reasonable approximation of their fair values due to the short-term nature of these instruments.

Financial assets

The Company's financial assets comprise trade and other receivables. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method, less any provision for impairment.

Cash and cash equivalents comprise cash in hand and short-term deposits in banks with an original maturity of three months or less.

Financial liabilities

The Company's financial liabilities comprise trade and other payables. They are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

The Company also recognised a derivative financial liability in the scope of IFRS 9. This financial instrument is recognised at fair value and value changes are recognised in profit and loss. Fair value has been determined based on the expected option payoff using a Monte Carlo simulation produced by an independent financial valuation company.

Share capital

The Company's ordinary shares are classified as equity. Incremental costs directly attributable to the issue of shares are recognised in equity as a deduction from proceeds of the share issue.

Treasury shares

The Company's treasury shares are classified as equity. Treasury shares are accounted for at cost and shown as a deduction from equity in a separate reserve.

Share-based payments

Where the Company issues equity instruments to external parties or employees as consideration for services received, the statement of comprehensive income is charged with the fair value of the goods and services received, except where services are directly attributable to the issue of shares, in which case the fair value of such amounts is recognised in equity as a deduction from share premium.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

Equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2021

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new awards are treated as if they were a modification.

Taxation

As the Company is managed and controlled in Jersey it is liable to be charged to tax at a rate of 0% under schedule D of the Income Tax (Jersey) Law 1961 as amended.

Expenses

Expenses are accounted for on an accruals basis.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors of the Company.

The Company is organised into a single operating segment being the holding of U_3O_8 for long-term capital appreciation.

Critical accounting judgments and estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

The resulting accounting estimates will, by definition, seldom equate to the related actual results.

Accounting estimates

The accounting estimates in the year are the assumptions made in valuing the derivative financial liability. These assumptions are set out in note 7 and the carrying value of the derivative financial liability is USD3,361,000 as at 31 March 2021 (31 March 2020: USD2,587,000).

Judgements

The directors have considered the tax implications of the Company's operations and have reached judgement that no tax liability has arisen during the year (period ended 31 March 2020: USD nil).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2021

3. MANAGEMENT OF FINANCIAL RISKS

Financial risk factors

The Company's financial assets and liabilities comprise of cash, derivatives, receivables and payables that arise directly from its operations. The accounting policies in note 2 include criteria for the recognition and the basis of measurement applied for financial assets and liabilities. Note 2 also includes the basis on which income and expenses arising from financial assets and liabilities are recognised and measured.

The Company's assets and liabilities have been primarily categorised as assets and liabilities at amortised cost, with the exception of the investment in uranium and derivative financial liability being held at fair value. The carrying amounts of all such instruments are as stated in their respective notes.

Market risk

The fair value or future cash flows of a financial instrument may fluctuate because of changes in market prices. This market risk comprises two elements - interest rate risk and other price risk and arises mainly from the changes in values of the investment of uranium and derivatives.

Interest rate risk

Any cash balances are held on variable rate bank accounts or in money market funds yielding rates of interest dependent on the base rate of the applicable institution or fund return.

Price risk and sensitivity

If the value of the investment in uranium fell by 5% at the year end, the profit after tax would decrease by USD15,104,910. Likewise, if the value rose by 5% the profit after tax would have increased by USD15,104,910.

Economic Risk

The COVID-19 pandemic is an ongoing situation and will continue to have a significant impact on the global economy and many businesses across the world. The Company's operations however continue to remain unaffected by COVID-19, given that it has no physical operations and the executive team is already home-based. The Company's key service providers have put in place effective business continuity plans that have enabled them to continue with the provision of all key support services that were provided to the Company prior to the pandemic outbreak.

Liquidity risk

This is the risk that the Company will encounter in realising assets or otherwise raising funds to meet financial commitments. Prudent liquidity risk management involves maintaining sufficient liquidity and short-term investment securities, being able to raise funds based on suitably adapted lines of credit and a capacity to unwind market positions.

At year end, the liquidity of the Company is composed of either bank account or bank deposits, for a total amount of USD126,159,065 (31 March 2020: USD6,480,946).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2021

As at 31 March 2021	Carrying amount USD'000	< 1 year USD'000	1 to 2 years USD'000	2 to 10 years USD'000
Cash and cash equivalents	126,159	126,159	–	–
Other creditors and accruals	(3,621)	(3,621)	–	–
As at 31 March 2020	USD'000	USD'000	USD'000	USD'000
Cash and cash equivalents	6,481	6,481	–	–
Other creditors and accruals	(392)	(392)	–	–

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability at the measurement date. IFRS 13 requires the Company to classify fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and

3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level to the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The following table analyses within the fair value hierarchy the Company's financial assets and liabilities (by class) measured at fair value.

Assets and liabilities **As at 31 March 2021**	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
Investment in uranium	302,098	–	–	302,098
Uranium derivative liability	–	(3,361)	–	(3,361)
As at 31 March 2020				
Investment in uranium	263,489	–	–	263,489
Uranium derivative liability	–	(2,587)	–	(2,587)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2021

4. INVESTMENT IN URANIUM

	Fair Value USD'000
As at 31 March 2019	**217,366**
Purchase of U_3O_8	30,409
Change in fair value	15,714
As at 31 March 2020	**263,489**
Purchase of U_3O_8	15,024
Change in fair value	33,365
Sale of U_3O_8	(9,780)
As at 31 March 2021	**302,098**

The value of the Company's investment in U_3O_8 is based on the month end spot price for U_3O_8 of USD30.65/lb as published by UxC LLC on 29 March 2021 (2020: USD27.40/lb as published by UxC LLC on 30 March 2020).

Purchase of uranium

The Company has purchased a total of 10,156,385 lb of U_3O_8 at an average price of USD22.01/lb. The total cash consideration for the purchases was USD223,588,600 made up as follows:

- Purchase of 8,091,385 lb of U_3O_8 from Kazatomprom at IPO on 5 July 2018 for a cash consideration of USD170,000,000 under a 10-year Framework Agreement (the "Initial Purchase").
- A second purchase of 350,000 lb from Kazatomprom for a cash consideration of USD8,155,000.
- A third purchase of 1,175,000 lb from Kazatomprom on 31 May 2019 under the Framework Agreement for a cash consideration of USD30,409,000.
- On 23 March 2021, the Company purchased 440,000 lb of U_3O_8 for a cash consideration of USD12,029,600.
- On 30 March 2021, the Company purchased a further 100,000 lb of U_3O_8 for a cash consideration of USD2,995,000.

Post year-end purchases of uranium

On 3 March 2021, the Company committed to purchase a further 3,454,231 lb of U_3O_8 from Kazatomprom under the Framework Agreement for a cash consideration of USD99,999,987. The Company took delivery of the uranium on 21 June 2021, at which point legal title passed to the Company.

On 20 May 2021, the Company completed the purchase of and took title to 343,053 lb of U_3O_8 in the market at a price of USD29.15/lb for total consideration of USD9,999,995.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2021

In July 2021, the Company concluded agreements to purchase a further 550,000 lb of U_3O_8 in the spot market at an average price of USD32.35/lb for a total consideration of USD17.8 million. The Company will take delivery of this uranium between July and August 2021.

The Company expects to conclude an agreement with Kazatomprom to purchase a further 2.0 million lb of U_3O_8 at a price of USD32.23/lb for a total consideration of USD64.5 million for delivery between October and December 2021, pursuant to Kazatomprom's offer of 12 June 2021.

Location swaps

Since May 2018, Yellow Cake has held an account with Cameco Corporation ("Cameco") for the storage of uranium owned by the Company at Cameco's facilities at Blind River and Port Hope, Ontario in Canada.

On 15 November 2019, the Company entered into an agreement with Orano Cycle ("Orano") to open a holding account for the storage of uranium owned by the Company at Orano's conversion facility at the Malvési and Tricastin sites in France.

During the year, the Company entered into the following location swap transactions:

1) On 3 April 2020, a location swap agreement was entered into to exchange 100,000 lb of U_3O_8, earning an exchange fee of USD20,000. On 20 April 2020, the Company transferred 100,000 lb of U_3O_8 from the Cameco facility to the Orano facility in satisfaction of its obligations under this location swap agreement.
2) On 24 July 2020, a series of location swap agreements were entered into to exchange 500,000 lb of U_3O_8 located at Cameco's storage facility in Canada for an equal volume of U_3O_8 located at Orano's storage facility in France for a period of six months to 29 January 2021. At the end of the term, the U_3O_8 was to be swapped back to its original location. In consideration, Yellow Cake received proceeds of USD1.0 million, net of costs and commissions (gross proceeds of USD1,125,000). On 2 October 2020, the Company agreed to defer the date of the reverse location swap date by four months. This location swap was reversed in May 2021 when the Company again received the same volume of uranium in Canada in exchange for uranium held in France. In consideration for the extension of the reverse swap transaction, the Company received an additional fee of USD90,000 net of costs and commissions upon completion of the reverse swap transaction.

Sale of uranium

On 26 June 2020, the Company sold 200,000 lb of U_3O_8 to Cameco at a price of USD33.20/lb for a total cash consideration of USD6,640,000.

On 29 June 2020, the company sold a further 100,000 lb of U_3O_8 to Cameco at a price of USD33.20/lb for a total cash consideration of USD3,320,000.

In respect of the above two disposals, a premium of USD0.60/lb to the prevailing June 2020 month-end spot price of USD32.60/lb (as published by UxC, LLC), or USD180,000, has been recognised in the statement of comprehensive income. This premium represents the cumulative disposal proceeds of USD9,960,000 less the carrying value at the respective dates of disposal of USD9,780,000, being the premium on spot price (and therefore carrying value) that was realised on disposal.

For illustrative purposes, this sale of uranium resulted in an effective "realised gain" of USD3,657,000 since the U_3O_8 was originally purchased, being the sales proceeds USD9,960,000 less the "acquisition cost" of USD6,303,000, where the "acquisition cost" is estimated by applying a "first in first out" methodology to the cost of all uranium purchases made by the Company to the date of sale.

Post year-end sale of uranium

On 30 March 2021, the Company accepted Uranium Royalty Corp's option exercise notice to purchase 348,068 lb of U_3O_8 from the Company at a price of USD28.73/lb for a total consideration of USD10,000,000. The transaction completed on 28 April 2021.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2021

The following table provides an analysis of the Company's investment in U_3O_8 at 31 March 2021:

Location	Quantity *lb*	Fair Value USD'000
Canada	9,256,385	283,708
France	600,000	18,390
Total	**9,856,385**	**302,098**

Post year end uranium related transactions

Location	Quantity *lb*	Fair Value USD'000
As at 31 March 2021	9,856,385	302,098
URC sale transaction	(348,068)	(10,000)
Spot market purchase transaction	343,053	10,000
Kazatomprom purchase transaction	3,454,231	100,000
Total	**13,305,601**	**402,098**

The above transactions do not include purchase commitments by the Company which have not yet completed.

5. TRADE AND OTHER RECEIVABLES

	As at 31 March 2021 USD'000	As at 31 March 2020 USD'000
Other receivables	119	89
	119	**89**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2021

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 31 March 2021 were held with Citi Bank Europe plc in a variable interest account with full access. Balances at the end of the period were USD125,685,604 and GBP337,918, a total of USD126,159,065 equivalent (31 March 2020: USD6,480,061 and GBP714, a total of USD6,480,964 equivalent).

7. URANIUM DERIVATIVE LIABILITY

As part of the Initial Purchase mentioned in note 4 above, the purchase price was 2.5% below the spot price, resulting in the Company receiving a discount of USD4,250,000. In exchange for this discount, the Company provided to Kazatomprom an option to repurchase up to 25% of the Initial Purchase volume of 8,091,385 lb of U_3O_8 at the prevailing uranium spot price less an aggregate discount of USD6,525,000 (the "Repurchase Option"). The Repurchase Option can be exercised from 4 July 2021 (being three years from the date at which the Company took delivery of the Initial Purchase inventory) if the U_3O_8 spot price exceeds USD37.50/lb for a period of 14 consecutive days. The option expires on 30 June 2027.

The Company has the option to purchase from Kazatomprom all or a portion of the volume repurchased by Kazatomprom under the Repurchase Option. The Company's option may be exercised in whole or in part and in one or more separate exercises during the year commencing on the delivery date for the Repurchase Option and ending on 30 June 2027.

The value of the option granted to Kazatomprom has been determined at USD3,361,000 as at 31 March 2021 (31 March 2020: USD2,587,000) based on the exercised Repurchase Option.

A valuation date spot price of USD30.65 per lb and volatility of 20.0% were used to simulate spot price as at 4 July 2021 (date at which the option may first be exercised). After which monthly volatility of 6.0% was used to simulate monthly prices to 30 June 2027. The derivative financial liability is classified within level 2 of the fair value hierarchy as at 31 March 2021.

8. TRADE AND OTHER PAYABLES

	As at 31 March 2021 USD'000	As at 31 March 2020 USD'000
Uranium purchase consideration	2,995	–
Other creditors and accruals	626	392
	3,621	**392**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2021

9. SHARE CAPITAL

Authorised:
10,000,000,000 ordinary shares of GBP0.01

Issued and fully paid:
Ordinary shares

	Number	GBP'000	USD'000
Share capital as at 31 March 2019	**76,176,630**	**762**	**1,007**
Issued 12 April 2019	12,039,086	120	157
Share capital as at 31 March 2020	**88,215,716**	**882**	**1,164**
Issued 2 March 2021	44,525,014	445	621
Share capital as at 31 March 2021	**132,740,730**	**1,327**	**1,785**

Share premium

	GBP'000	USD'000
Share premium as at 31 March 2019	**145,384**	**192,248**
Proceeds of issue of shares	25,764	33,608
Share issue costs	(1,192)	(1,419)
Share premium as at 31 March 2020	**169,956**	**224,437**
Proceeds of issue of shares	98,846	137,879
Share issue costs	(2,512)	(3,504)
Share premium as at 31 March 2021	**266,290**	**358,812**

The Company has one class of shares which carry no right to fixed income.

On 2 March 2021, the Company issued a total of 43,001,944 new ordinary shares to existing and new institutional investors and 1,523,070 new ordinary shares to retail investors, at a price of GBP2.23 per share. The Company incurred listing expenses, comprising of commissions and professional adviser fees totalling USD4,185,705 of which USD3,504,355 have been taken to the share premium account. Additional placing costs of USD681,350 have been recognised in the statement of comprehensive income. Net proceeds from the placing were GBP96,289,989 (USD equivalent: 134,313,908).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2021

10. SHARE-BASED PAYMENTS

The Company implemented an equity-settled share-based compensation plan in 2019 which provides for the award of long-term incentives and an annual bonus to management personnel.

Annual bonus

The annual bonus award in relation to a financial year is usually granted following publication of the Company's audited annual results for that financial year. The annual bonus awards are in the form of nominal-cost options, which will vest and become exercisable no earlier than one year after grant or in cash.

The 2020 annual bonus award, based on performance criteria, was based on commercial targets and was reduced from the maximum award of 100% of base salary to 70%. This was primarily due to the uncertainties that prevailed in mid-2020, arising from the COVID-19 pandemic and the resulting impact on the global economy.

The 2020 annual bonus award was split into two tranches of 35% of base salary each, both with a vesting date of 8 July 2021, with the first award made on 8 July 2020 and the second deferred until after the Company's Annual General Meeting on 2 September 2020, having regard to the uncertainty created by COVID-19 at the time of finalisation of the 2020 awards. The grant of the second tranche will be made on 26 July 2021.

Set out below is the summary of the first tranche of the annual bonus awards as granted to directors granted on 8 July 2020 in relation to the year ended 31 March 2020:

Director	Grant date	Exercise date	Exercise price	Opening balance	Granted/Exercised	Expired/ forfeited/other	Closing balance
A Liebenberg	08/07/2020	08/07/2021	GBP0.01	–	27,392	–	27,392
C Whittall	08/07/2020	08/07/2021	GBP0.01	–	21,913	–	21,913
Total				**–**	**49,305**	**–**	**49,305**

A Black-Scholes option pricing model was used to determine the fair value the bonus awards. The valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Exercise date	Share price at grant date	Exercise price	Expected volatility	Risk-free interest rate	Fair value at grant date	Fair value at grant date*
08/07/2020	08/07/2021	GBP2.26	GBP0.01	30%	(0.01%)	GBP110,690	USD152,708

* *The USD equivalent is derived using the FX rate as at the date of reporting.*

No annual bonus in the form of share based payments was awarded in relation to the year ended 31 March 2021.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2021

Long-term incentive

The long-term incentive is in the form of options granted to acquire shares in the Company that will become exercisable not earlier than three years after grant (save in certain circumstances including a change of control of the Company) and will expire 10 years after the date of grant. The option exercise price has been determined to be the net asset value per share at the grant date of the shares placed under option. The options are subject to a post-vesting holding period of not less than two years (although sufficient shares may be sold on exercise in order to meet tax liabilities arising at vesting). The face value (exercise price of the options multiplied by the number of options granted) of shares subject to the grants may be up to 125% of salary. Each option gives the right to acquire one share in the Company. The long-term incentive award relating to a financial year is usually granted at the beginning of that financial year. The exercise of each of the long-term incentive options is conditional upon the share price as at the exercise date being equal to or greater than the net asset value per share of the Company as at the date of grant.

Set out below is the summary of the long-term incentive options awarded on 24 February 2020 in relation to the year ended 31 March 2020 and on 8 July 2020 in relation to the 2021 financial year:

Director	Grant date	Exercise date	Exercise price	Opening balance	Granted/Exercised	Expired/ forfeited/other	Closing balance
A Liebenberg	24/02/2020	24/02/2023	GBP2.13	84,480	–	–	84,480
C Whittall	24/02/2020	24/02/2023	GBP2.13	67,584	–	–	67,584
Total (no. options)				**152,064**	**–**	**–**	**152,064**
Total fair value as at the grant date*							**USD63,565**

* *The USD equivalent is derived using the FX rate as at the date of reporting.*

Director	Grant date	Exercise date	Exercise price	Opening balance	Granted/Exercised	Expired/ forfeited/other	Closing balance
A Liebenberg	08/07/2020	08/07/2023	GBP2.88	–	78,262	–	78,262
C Whittall	08/07/2020	08/07/2023	GBP2.88	–	62,609	–	62,609
Total (no. options)				**–**	**140,871**	**–**	**140,871**
Total fair value as at the grant date*							**USD46,837**

* *The USD equivalent is derived using the FX rate as at the date of reporting.*

Subsequent to the grant of the 2020 and 2021 long term incentive awards, the plan was amended such that the exercise price per share represents the estimated net asset value per share on the grant date.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2021

This has resulted in the exercise price of the options granted on 24 February 2020 being increased from GBP1.97 per share (being the average of the mid-market closing price of the ordinary shares of the Company on AIM over the five consecutive dealing days immediately preceding the grant date) to GBP2.13 per share (being the estimated net asset value per share of the Company on 24 February 2020). The exercise price of the long-term incentive options granted on 8 July 2020 has also been increased from GBP2.18 per share (being the average of the mid-market closing price of the ordinary shares of the Company on AIM over the five consecutive dealing days immediately preceding the grant date) to GBP2.88 per share (being the estimated net asset value per share of the Company on 8 July 2020).

The exercise price for the long-term incentive options granted on 24 February 2020 was amended after the grant date such that the fair value of these options was reduced, as measured immediately before and after this modification. In accordance with IFRS 2, this reduction in fair value is not taken into account and the Company will continue to measure the amount recognised for services received as consideration for the incentive options, based on the grant date fair value.

A Black-Scholes option pricing model was used to determine the fair value of the long-term incentive options. The valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Exercise date	Share price at grant date	Exercise price	Expected volatility	Risk-free interest rate	Fair value at grant date GBP	Fair value at grant date USD
24/02/2020	24/02/2023	GBP1.95	GBP1.97	25%	0.40%	GBP46,075	USD63,565
08/07/2020	08/07/2023	GBP2.26	GBP2.88	30%	(0.08%)	GBP33,950	USD46,837

The Remuneration Committee resolved to review the long-term incentive plan and as a consequence no grant of long-term incentive options will be made for the time being in respect of the 2022 financial year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2021

11. TREASURY SHARES

	Number	GBP'000	USD'000
Treasury shares as at 31 March 2019	**–**	**–**	**–**
Purchased in the year	309,788	565	726
Treasury shares as 31 March 2020	**309,788**	**565**	**726**
Purchased in the year	3,846,597	8,301	10,732
Treasury shares as at 31 March 2021	**4,156,385**	**8,866**	**11,458**

On 22 January 2020, the Company initiated a share buyback programme to purchase up to USD2 million of the Company's ordinary shares (the "Programme") during an initial period of three months.

At the Programme's inception, the Company's shares were trading at a material discount to its underlying net asset value. The Yellow Cake Board therefore took the decision to implement a share buyback programme as a means of effectively acquiring exposure to uranium at a discount to the commodity spot price and delivering value to its shareholders.

On 30 April 2020, the Company extended the Programme to the earlier of 21 July 2020 or the date on which USD2 million had been incurred in the purchase of the Company's shares.

On 8 July 2020, the Company announced an enlargement of the Programme to purchase an additional number of shares for an aggregate consideration of up to USD10 million over three months, given that the Company's shares continued to trade at a significant discount to net asset value. The duration of the Programme was subsequently extended to 30 October 2020 and completed on that date.

The share buyback programme concluded on 31 October 2020, with a total of 4,156,385 shares acquired at an average price of GBP2.13 per share, for a total cost of USD11.5 million (GBP8.8 million) and a weighted average discount to net asset value of 21%. All the shares repurchased are held in treasury.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2021

12. COMMISSIONS, PROCUREMENT AND CONSULTANCY FEES

308 Services Limited ("308 Services") provides procurement services to the Company relating to the sourcing of U_3O_8 and other uranium transactions and in securing competitively priced converter storage services.

In terms of the agreement entered into between the Company and 308 Services on 30 May 2018, 308 Services is entitled to receive (i) a Holding Fee comprised of a Fixed Fee of USD275,000 per calendar year plus a Variable Fee equal to 0.275% per annum of the amount by which the value of the Company's holdings of U_3O_8 exceeds USD100 million and (ii) an Annual Storage Incentive Fee equal to 33% of the difference between the amount obtained by multiplying the Target Storage Cost (initially set at USD0.12/lb per year) by the volume of U_3O_8 (in pounds) owned by the Company on 31 December of each respective year and the total converter storage fees paid by the Company in the preceding calendar year.

The Company considers Holding Fees and Storage Incentive Fees to be costs of an ongoing nature. During the period the Company paid Holding Fees and Storage Incentive Fees of USD1,123,870 (31 March 2020: USD1,017,413) to 308 Services.

308 Services is also entitled to receive commissions equivalent to 0.5% of the transaction value in respect of uranium sale and purchase transactions completed at the request of the Yellow Cake Board.

In addition, if the purchase price paid by the Company in respect of such a purchase transaction is in the lowest quartile of the range of reported uranium spot prices in the calendar year in which the transaction completed, 308 Services is entitled to receive, at the beginning of the following calendar year, an additional commission of 0.5% of the value of the uranium transacted. If the purchase price paid by the Company in respect of such a purchase transaction is in the second lowest quartile of the range of reported uranium spot prices in the calendar year in which the transaction completed, 308 Services is entitled to receive, at the beginning of the following calendar year, an additional commission of 0.25% of the value of the uranium transacted. If the purchase price is in the top half of the range for the calendar year in which the transaction completed, no additional commission will be payable to 308 Services. Therefore, the Company has elected to include a provisional commission of USD75,123 within these financial statements in respect of the uranium purchase transactions completed by the Company in March 2021 equal to 0.5% of the value transacted.

During the period, commissions and provisional commissions payable to 308 Services totalled USD282,296 (31 March 2020: USD152,045).

13. OTHER OPERATING EXPENSES

	1 April 2020 to 31 March 2021 USD'000	1 April 2019 to 31 March 2020 USD'000
Professional fees	687	682
Management Salaries and Directors' fees	535	557
Other expenses	443	470
Auditor's fees	74	47
	1,739	**1,756**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2021

14. TAXATION

	1 April 2020 to 31 March 2021 USD'000	1 April 2019 to 31 March 2020 USD'000
Tax expense for the year	–	–
	–	**–**

As the Company is managed and controlled in Jersey it is liable to be charged tax at a rate of 0% under schedule D of the Income Tax (Jersey) Law 1961 as amended.

15. RELATED PARTY TRANSACTIONS

During the year, the Company incurred USD173,802 (31 March 2020: USD161,317) of administration fees payable to Langham Hall Fund Management (Jersey) Limited ("Langham Hall"). Alexandra Nethercott-Parkes was an employee of Langham Hall and served as a Non-Executive Director of the Company from 18 July 2019 up to the date of her resignation on 31 March 2021, for which she has received no Directors' fees. Emily Manning is an employee of Langham Hall and has served as a Non-Executive Director of the Company since 31 March 2021, for which she has received no Directors' fees. As at 31 March 2021 there were no amounts due to Langham Hall (31 March 2020: USDnil).

The key management personnel are the directors and as there are no other employees, their remuneration is represented by 'management salaries and director fees' in the Statement of Comprehensive Income.

The following Directors own ordinary shares in the Company:

Name	Number of ordinary shares	% of share capital as at 31 March 2021
The Lord St John of Bletso*	26,302	0.02%
Sofia Bianchi	13,186	0.01%
The Hon Alexander Downer	29,925	0.02%
Emily Manning	–	0.00%
Alexandra Nethercott-Parkes	–	0.00%
Alan Rule	18,837	0.01%
Andre Liebenberg	73,207	0.06%
Carole Whittall	11,302	0.01%
Total	**172,759**	**0.13%**

** The Lord St John of Bletso's shares are held through African Business Solutions Limited, in which he holds 100% of the Ordinary Shares.*

While the Non-Executive Directors hold shares in the Company, the holdings are considered sufficiently small so as not to impinge on their independence.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2021

16. EARNINGS PER SHARE

	1 April 2020 to 31 March 2021	1 April 2019 to 31 March 2020
Profit for the year (USD'000)	29,911	12,509
Weighted average number of shares during the year – Basic*	89,017,413	87,823,408
Weighted average number of shares during the year – Diluted*	89,308,071	87,837,764
Earnings per share attributable to the equity owners of the Company (USD):		
Basic	0.34	0.14
Diluted	0.33	0.14

** The weighted average number of shares excludes treasury shares.*

17. EVENTS AFTER THE REPORTING DATE

On 3 March 2021, the Company gave notice to Kazatomprom to exercise its option to purchase 3,454,231 lb of U_3O_8 at a price of USD28.95/lb for a total cash consideration of USD99,999,987. The Company took delivery of the uranium on 21 June 2021, at which point legal title passed to the Company.

On 30 March 2021, the Company accepted Uranium Royalty Corp's option exercise notice to purchase 348,068 lb of U_3O_8 from the Company at a price of USD28.73/lb for a total consideration of USD10,000,000. The transaction completed on 28 April 2021, when legal title passed to the company.

On 6 May 2021, the Company committed to purchase 343,053 lb of U_3O_8 at a price of USD29.15/lb for a total cash consideration of USD9,999,995. The transaction completed on 20 May 2021, when legal title passed to the company.

On 21 June 2021, the Company issued 25 million new ordinary shares at a price of GBP2.50 per share, raising net proceeds of GBP60.6 million (USD equivalent: 84.0 million net of costs of USD2.9 million). The Company intends to apply the proceeds to the following transactions:

- In July 2021, the Company concluded agreements to purchase a further 550,000 lb of U_3O_8 in the spot market at an average price of USD32.35/lb for a total consideration of USD17.8 million. The Company will take delivery of this uranium between July and August 2021.
- The Company expects to conclude an agreement with Kazatomprom to purchase a further 2.0 million lb of U_3O_8 at a price of USD32.23/lb for a total consideration of USD64.5 million for delivery between October and December 2021, pursuant to Kazatomprom's offer of 12 June 2021.

CORPORATE INFORMATION

Head Office and Registered Office
3rd Floor, Liberation House
Castle Street
St Helier
Jersey, JE1 2LH

Company Secretary
LHJ Secretaries Limited
3rd Floor, Liberation House
Castle Street
St Helier
Jersey, JE1 2LH

Nominated Advisor and Joint Broker
Canaccord Genuity Limited
88 Wood Street
London, EC2V 7QR

Joint Broker
Joh. Berenberg, Gossler & Co. KG, London Branch
60 Threadneedle Street
London, EC2R 8HP

Financial Advisor
Bacchus Capital Advisers Limited
6 Adam Street
London, WC2N 6AD

Legal Advisors to the Company as to English and US Law
Linklaters LLP
One Silk Street
London, EC2Y 8HQ

Jersey Solicitors to the Company
Mourant Ozannes
22 Grenville Street
St Helier
Jersey, JE4 8PX

Auditor to the Company

RSM UK Audit LLP
25 Farringdon Street
London, EC4A 4AB

Registrars
Link Market Services (Jersey) Limited
12 Castle Street
St Helier
Jersey, JE2 3RT

Principal Bankers
Citibank Europe
1 North Wall Quay
Dublin 1, Ireland

Media Advisors
Powerscourt
1 Tudor Street
London, EC4Y 0AH