



**PURE EXPOSURE TO THE
URANIUM COMMODITY**

Investor Presentation

121 Mining Investment - Cape Town

2020

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Investment Case for Yellow Cake

Macro-economic Context

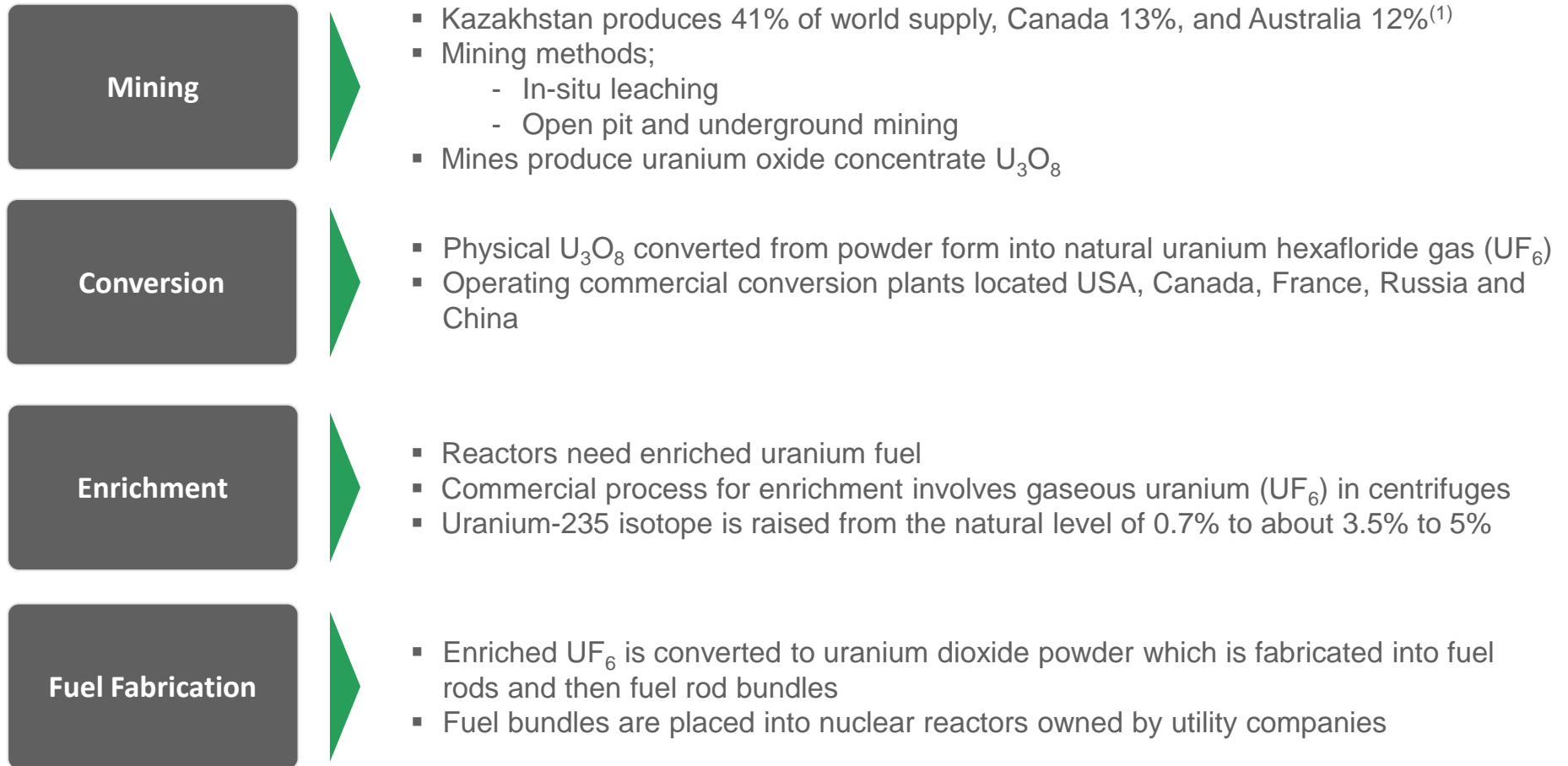
- Steady demand growth driven by nuclear reactor build program, mainly in the developing regions (non-OECD)
 - Extended period of low uranium prices has curtailed investment in future uranium supply
 - Uranium producers have made significant supply cuts
- ➔ Higher prices will be needed to incentivise new production

Yellow Cake

- Strategy of buying and holding physical U_3O_8
 - No operating risks associated with development, permitting, mining, processing or logistics
 - Access to uranium at the spot price under a ten-year option agreement with the world's largest uranium producer Kazatomprom
 - Low cost structure
- ➔ Pure exposure to the uranium spot price



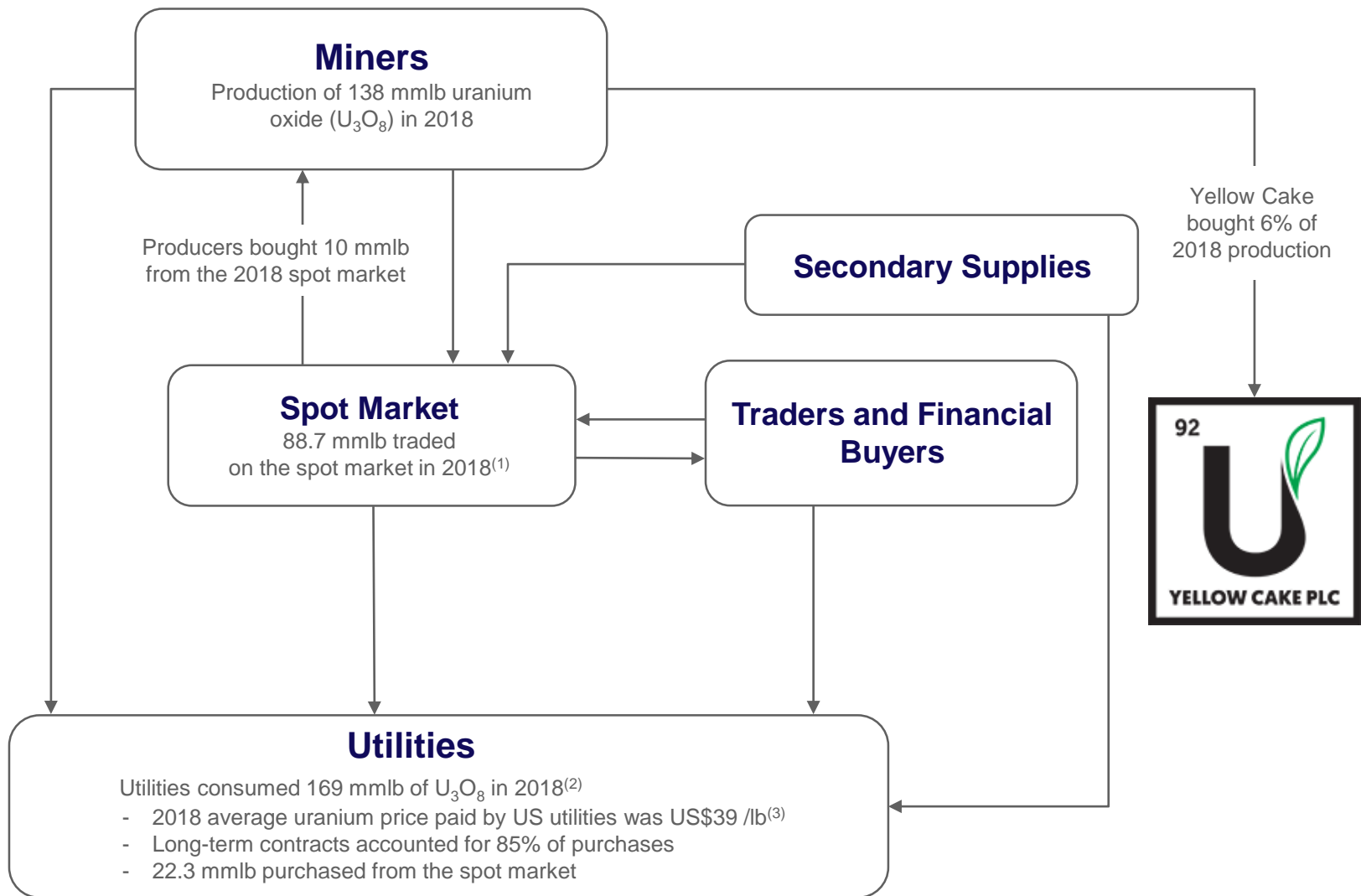
The Nuclear Fuel Value Chain



Source

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

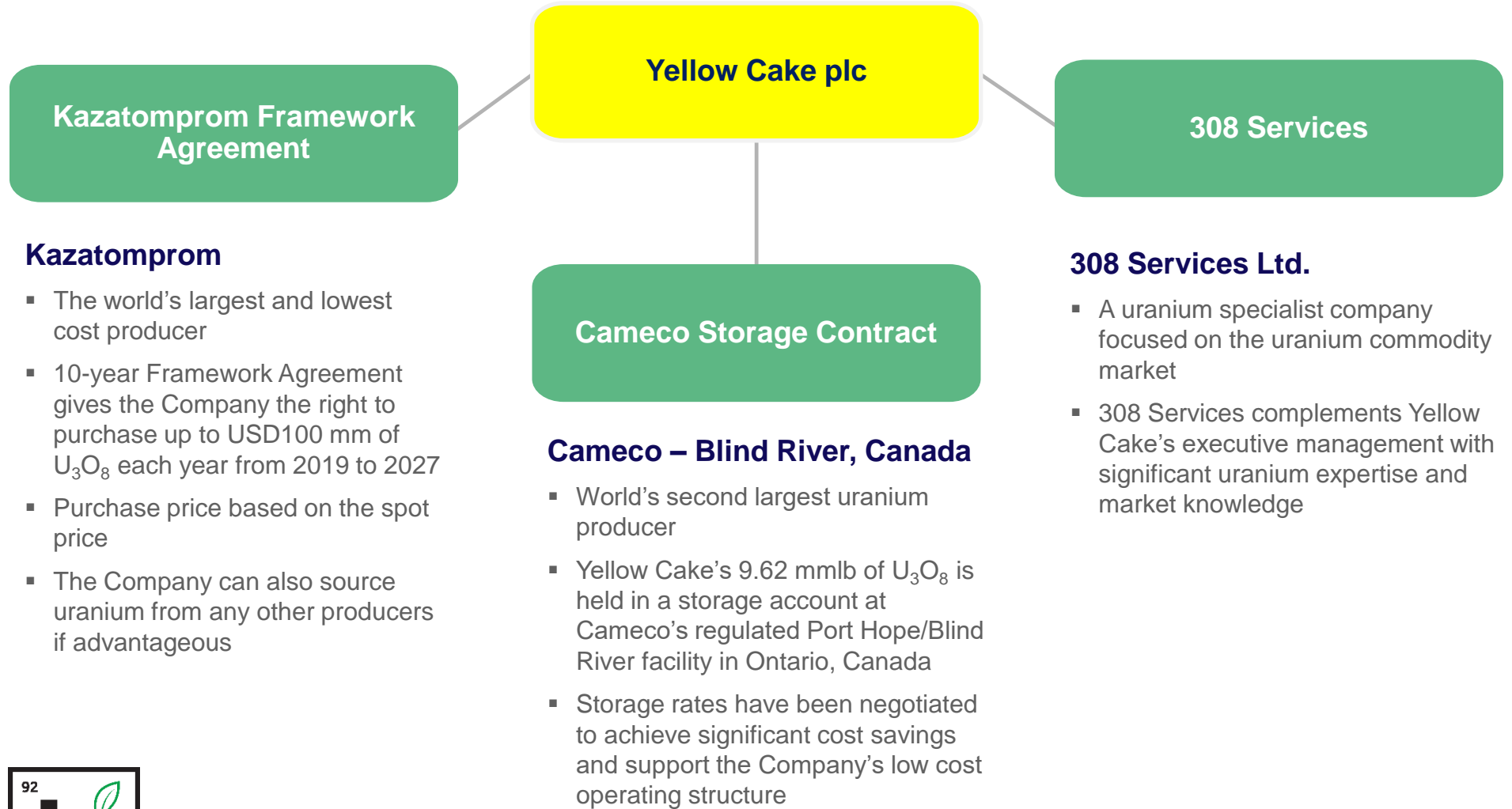
The Uranium Market



Source

- (1) UxC LLC 2018 Spot Market Review, February 2019
- (2) World Nuclear Association, World Nuclear Power Reactors & Uranium Requirements (August 2019)
- (3) U.S. Energy Information Administration 2018 Uranium Marketing Annual Report (May 2019)

Yellow Cake – Key Contracts Provide Strategic Advantage



Yellow Cake Operations Summary

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

- IPO: July 2018
 - Raised US\$200 mm
 - Purchased 8.1 mmlb U₃O₈ at US\$21.01 /lb
- August 2019
 - Purchased 350 klb U₃O₈ at US\$23.30 /lb
- April 2019
 - Raised US\$33.9 mm
- June 2019
 - Purchased 1.175 mmlb U₃O₈ at US\$25.88 /lb
- January 2020
 - Yellow Cake announces share buyback programme
- Current total holding of U₃O₈ – 9.62 mmlb acquired at an average price of US\$21.68 /lb



Yellow Cake Financial Summary

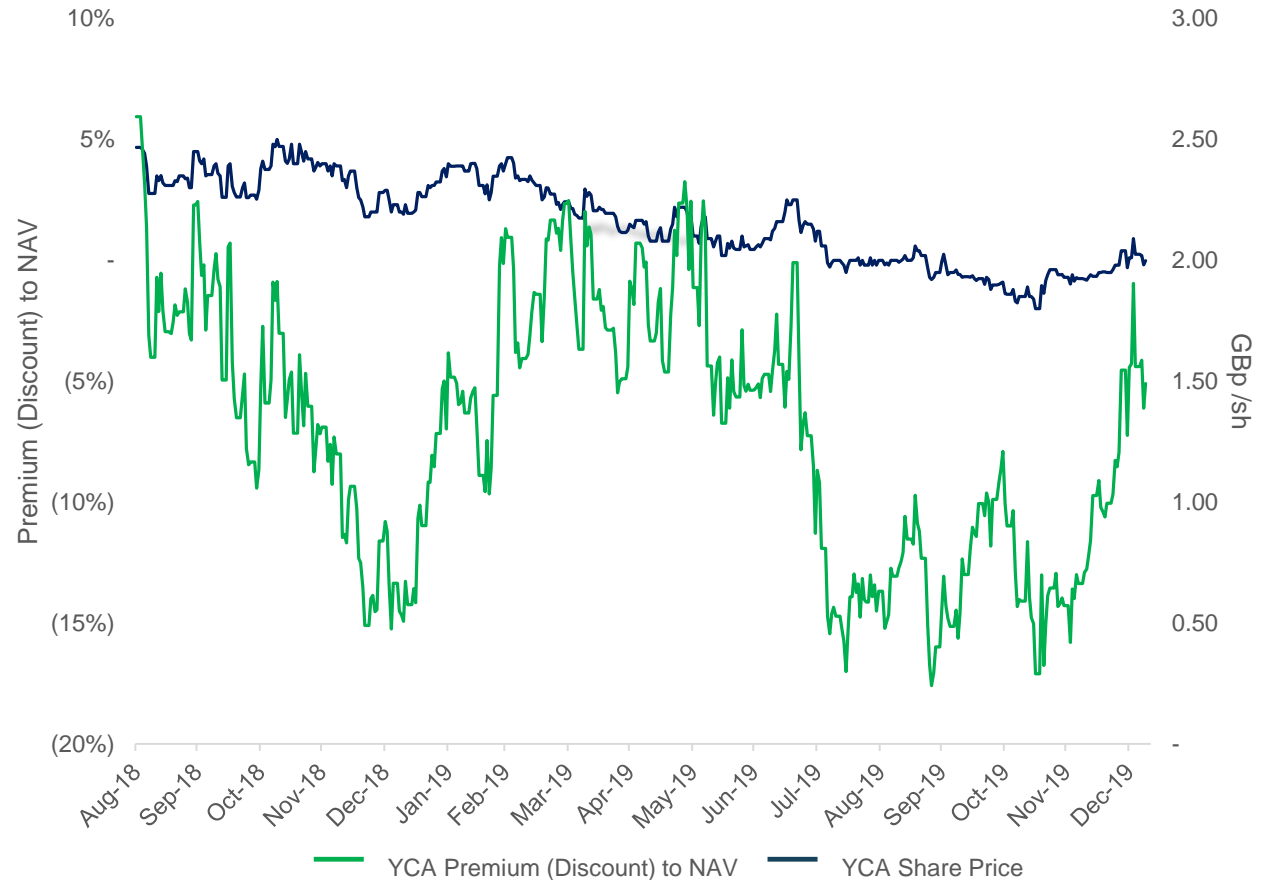
Key Financials Yellow Cake AIM:YCA

Last Share Price	£2.00
Market Cap (mm)	£178
Shares Out. (mm)	88.2
52 wk High	£2.55
52 wk Low	£1.80
NAV 9 December 2019	£2.20

Major Shareholders

Kopernik Global Investors	9%
Dolphin Financial (UK)	9%
Uranium Royalty Corporation	9%
Tribeca Investment Partners	8%
Putnam Investments	7%
TT International	5%
azValor Asset Management	5%
Legal & General Investment Management	4%
Extract Advisers (US)	3%

Share Price and Premium (Discount) to NAV⁽¹⁾



With the uranium spot price at \$24.85 /lb⁽²⁾ and GBP / USD exchange rate of US\$1.31/GBP, Yellow Cake is trading at 5% discount to NAV



Source

- (1) Net asset value per share is calculated assuming 88,215,716 ordinary shares in issue, a GBP/USD exchange rate of 1.31 on 9 January 2020 and cash and other net assets as at 30 September 2019
- (2) UxC LLC price 6 January 2020

1. URANIUM MARKET OVERVIEW



Nuclear is a Key Element of Global Energy Supply

- Least expensive non-carbon power option
- Lowest source of carbon emissions per MWh
- Reliable base load power
- Can be a key component in achieving the Paris Agreement targets
- Land required to produce electricity is lower than other non-carbon sources. For a 1,800 MW nuclear plant you need – 4 km², solar 56 km² and wind 437 km²



Current Demand

The World Nuclear Association estimates a total of 175 mmlb of uranium is required to power today's fleet of 442 operating reactors⁽¹⁾

USA

96 reactors operating, producing 97,896 MWe

France

58 operating reactors, producing 63,130 MWe

China

47 operating reactors, producing 45,688 MWe

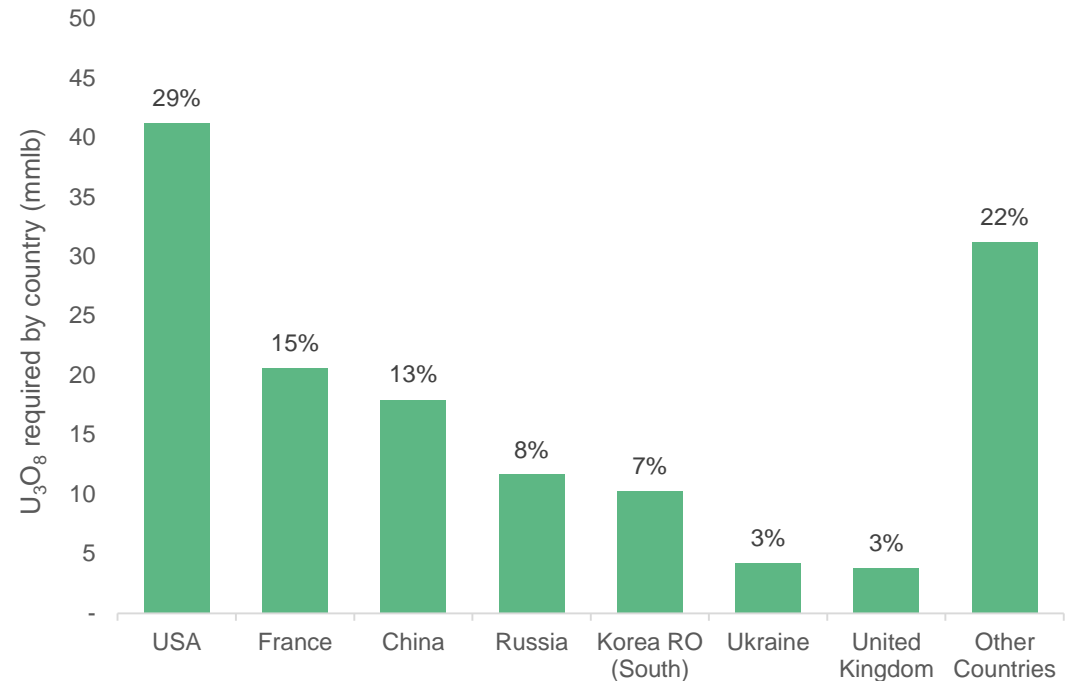
Russia

38 operating reactors, producing 29,203 MWe

South Korea

24 operating reactors, producing 23,231 MWe

Uranium requirements percentage of world demand⁽¹⁾



Source

(1) World Nuclear Association, World Nuclear Power Reactors & Uranium Requirements (January 2020)

Future Demand

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

China – 12 reactors under construction, 42 planned

India – 7 reactors under construction, 14 planned

Russia – 4 reactors under construction, 24 planned

UAE – 4 reactors under construction

	Operating Reactors ⁽¹⁾	Reactors Under Construction ⁽¹⁾	Planned Reactors ⁽¹⁾	Proposed Reactors ⁽¹⁾
World Nuclear Reactor Fleet	442	54	109	330
China Reactor Fleet	47	12	42	170



Source
(1) World Nuclear Association, World Nuclear Power Reactors & Uranium Requirements (January 2020)

Supply – Uranium Price Chart

Uranium price is near record lows, and uranium remains one of few commodities not yet to have risen strongly since 2016

Commentary

- A uranium price of US\$24.85 /lb⁽¹⁾ sees the uranium market near its lowest levels since the early 2000s
- The spot price increased during H2 2018, but remains below necessary levels to sustain global uranium production

Commodity

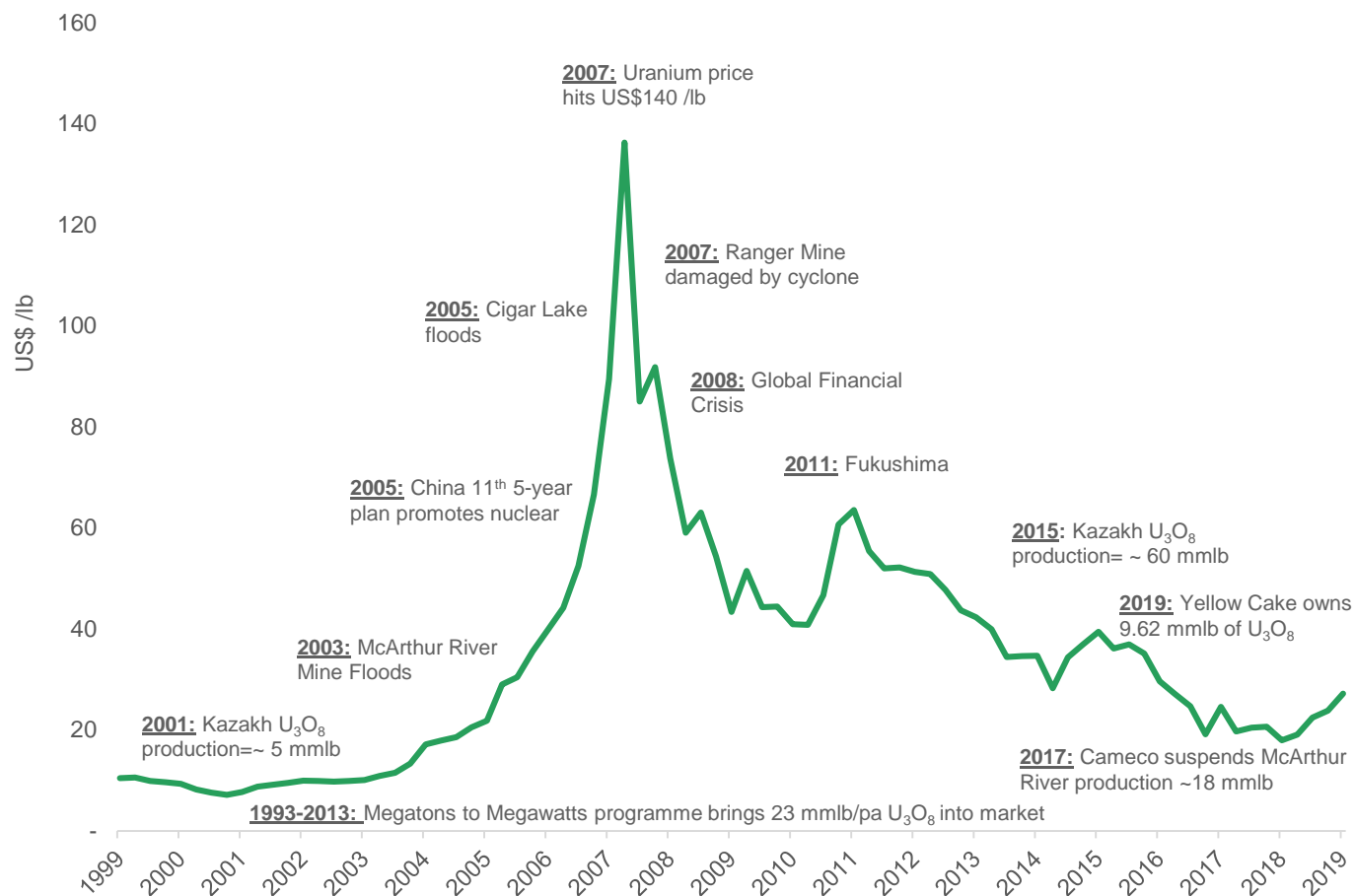
Since 1/1/2016⁽²⁾

Nickel	41%
Gold	20%
Zinc	55%
Copper	31%
Silver	31%
Aluminium	23%
Platinum	0%

Uranium

(26%)

Historical Uranium Price⁽³⁾

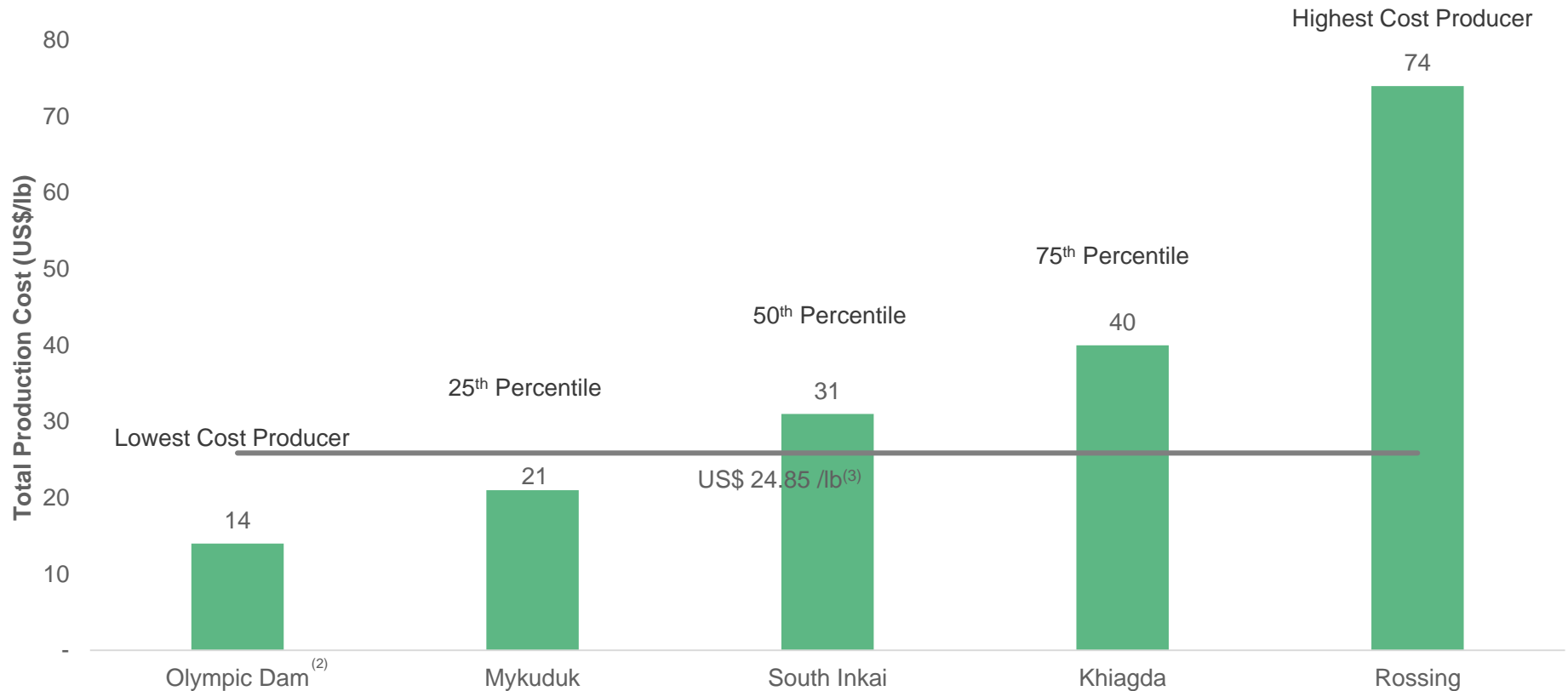


Source

- (1) UxC LLC price 6 January 2020
- (2) Commodity price change as of 9 January 2020
- (3) CapIQ, Energy Fuels, Bloomberg, NUEXCO

Supply – Majority of Current Supply Loss Making at Current Spot Price

2018 Estimated Total Production Costs⁽¹⁾ (US\$/lb)



Source

- (1) Company analysis based on SRK Consulting Global Operating Cost Curve for Primary Uranium Production, Section 232 Investigation of Uranium Imports dated 16 January 2018
- (2) Low cost due to uranium being a by-product of copper production
- (3) UxC LLC price 6 January 2020

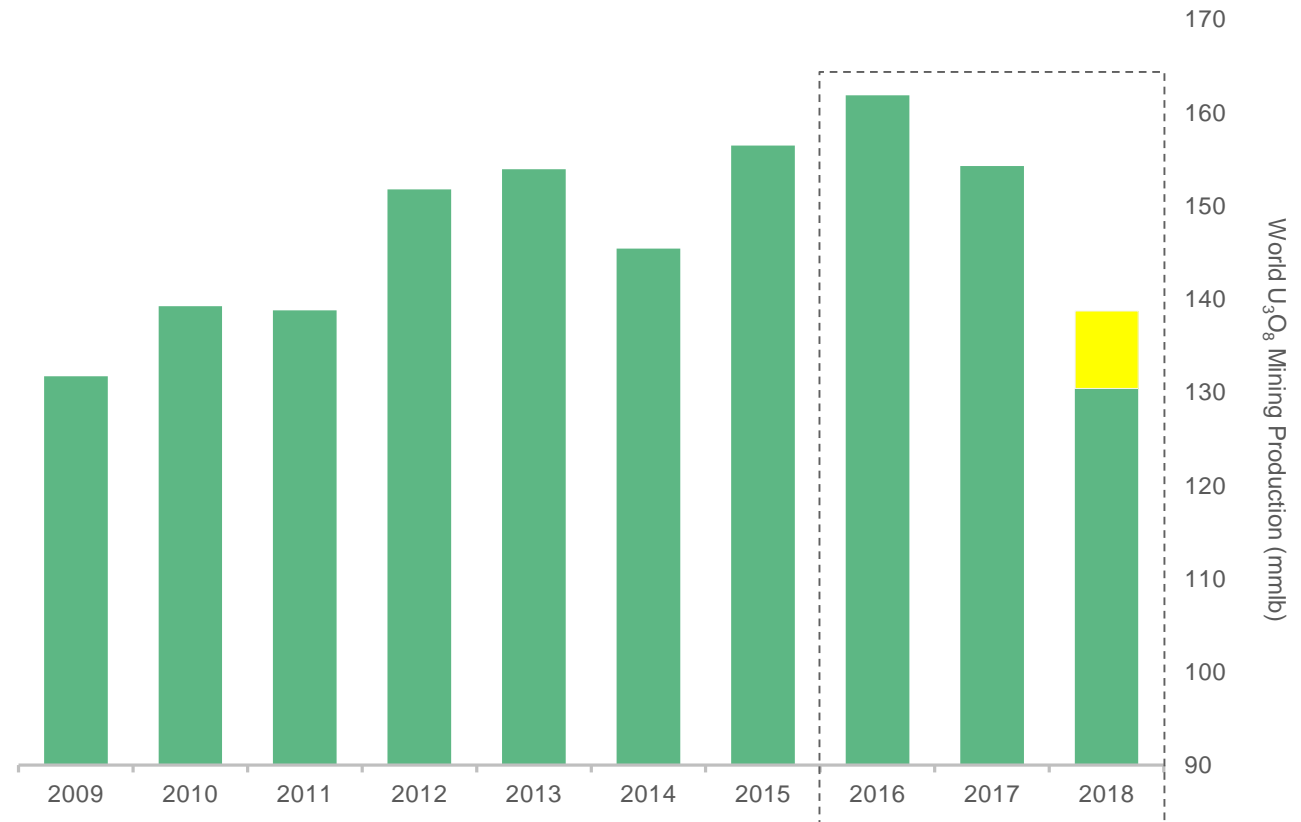
Global Supply Cuts and Yellow Cake Purchase

Producers have started taking self-help measures

Commentary

- Supply side responses have been the major theme of the market since 2017
 - Cameco's shut down of Rabbit Lake, and suspension at McArthur River
 - Kazatomprom's announcement of a 20% production reduction for three years
 - Paladin suspension at Langer Heinrich in May 2018
- Yellow Cake purchased 8.4 mmlb of U_3O_8 in 2018

Production cuts seen since 2017⁽¹⁾ and Yellow Cake's 2018 purchase of 8.4 mmlb U_3O_8

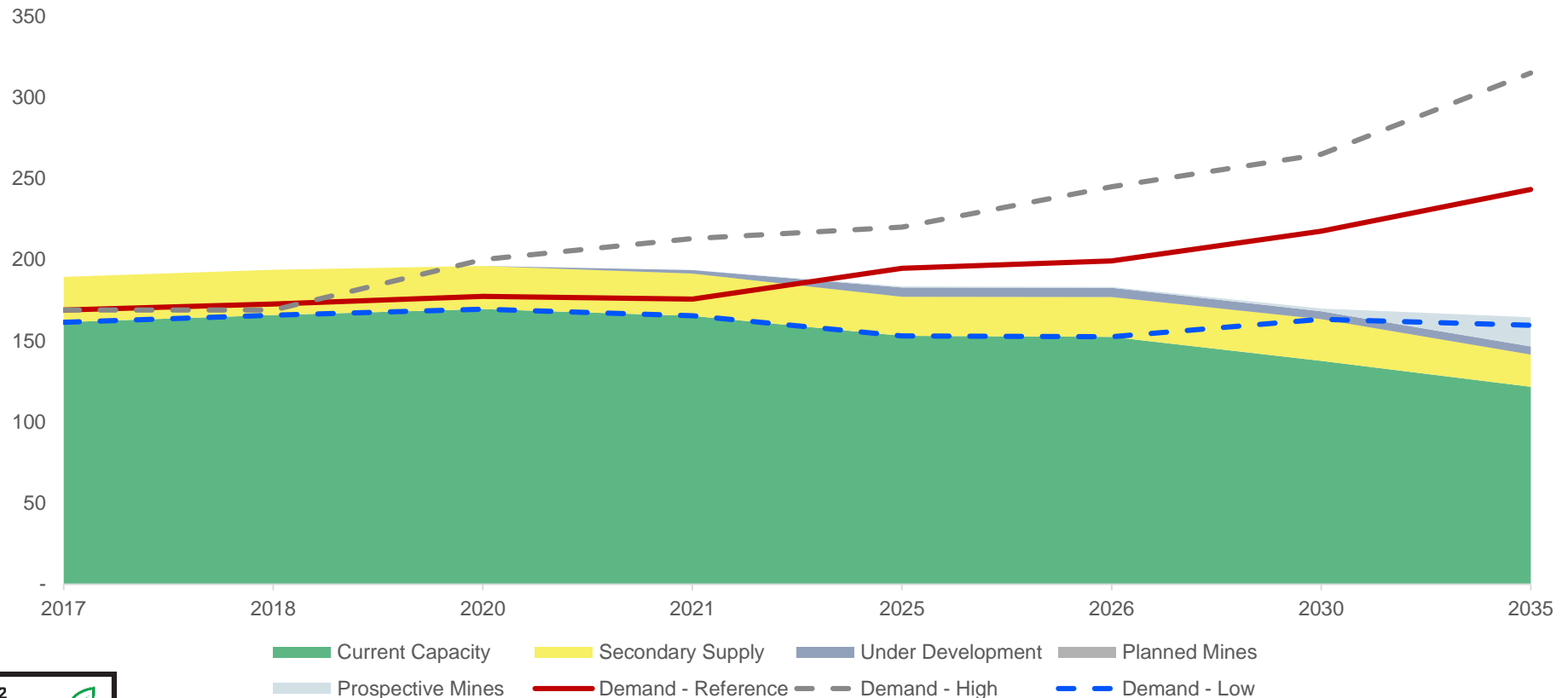


Source
(1) World Nuclear Association, World Uranium Mining Production (August 2019)

Growing Mine Supply Gap

Underinvestment in exploration and development is leading to a potential future supply gap. All three market scenarios (Lower / Reference / Upper) incorporated in latest WNA nuclear fuel market report show immediate global market supply deficit⁽¹⁾

Supply / Demand Imbalance (U₃O₈ mmlb)

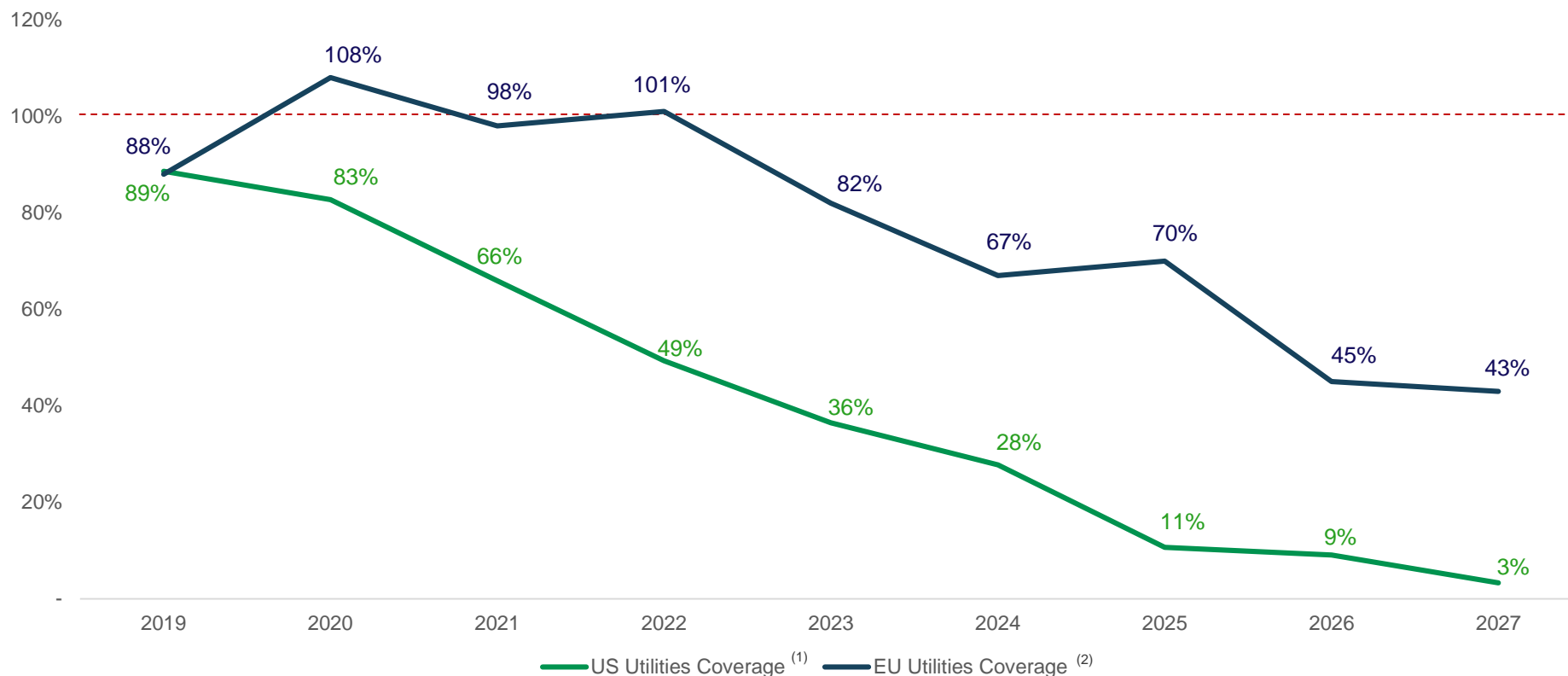


Source
Company estimate, analyst research
(1) "The Nuclear Fuel Report - Global Scenarios for Demand and Supply Availability 2019-2040 (September 2019)"

Long-Term Contracts Need to be Replaced

Contract covering has the potential to create a rapid tightening of the spot market

Future Contracted Coverage Rates of US & European Utilities



Source

(1) Euratom Supply Agency Annual Report 2018 (21 March 2019)

(2) U.S. Energy Information Administration 2018 Uranium Marketing Annual Report (May 2019)

Current Uranium Market Dynamics

- Section 232 speculation dominated 2019 activity
- The decision by the President of the United States of America to not implement any trade restrictions was welcomed
- However, the establishment of a Working Group has resulted in some extended uncertainty
- The effect of these developments is that the uranium price has drifted from US\$28.50 /lb at the start of 2019 to US\$24.85/lb⁽¹⁾ currently
- We expect market activity to increase once the working group completes its review
- Current forecasts for 2019 market demand was around 190 mmlb and primary production of 142 mmlb⁽²⁾. Forecasts for 2020 are yet to be confirmed



Source

(1) UxC LLC price 6 January 2020

(2) UxC LLC 2019 forecast

Macro-Economic Context Provides Opportunistic Timing for Investment in Uranium

Confluence of current events leading to potentially dramatic resurgence in the uranium market and the uranium price

Uranium Price at Historic Lows

- Sustained low price environment
- More than half of global production has total costs above current spot price
- 2018 average uranium price paid by US utilities was US\$39 /lb⁽¹⁾

Structural Demand Developments

- The US Energy Information Administration (“EIA”) forecasts a 29% increase in nuclear power by 2030⁽¹⁾
- Nuclear power a growing source of energy
 - 442 reactors operating globally, 54 under construction, 109 planned and 330 proposed projects⁽²⁾

Structural Supply Developments

- New projects’ incentive price well above the current spot price, which will impact future supply
- Significant supply side discipline emerging from major producers



Source:

(1) U.S. Energy Information Administration 2018 Uranium Marketing Annual Report (May 2019)

(2) World Nuclear Association (January 2020)

Yellow Cake – Investment Highlights

Direct Investment in Uranium

- No exposure to risks associated with exploration, development, mining or processing
- Upside exposure to a uranium price not capped by long-term contracts
- Listed on London Stock Exchange - investors can buy and sell shares in Yellow Cake, providing liquidity to uranium
- Low cost structure, minimal leakage

Strong Board & Management, with Dedicated Advisers

- Board of directors includes experienced team committed to ensuring high standards of corporate governance
- Yellow Cake's executive management, supported by 308 Services which has employees and consultants with considerable experience in the uranium market

Strategy Supports Emerging Supply Side Discipline

- Yellow Cake purchases and holds physical U_3O_8
- In 2018 Yellow Cake purchased an equivalent to approximately 6% of 2018 annual production

Strategic Relationship with Kazatomprom

- Kazatomprom Framework Agreement enables the company to purchase uranium on an undisturbed price basis
- The Company can acquire additional US\$100 mm of U_3O_8 per year, for nine years



Strong, Independent and Experienced Board and Executive Management Team

Yellow Cake Executive Team



- **Andre Liebenberg – CEO, Yellow Cake plc**
- Previously CFO of QKR, a Qatar backed mining fund
- Former roles at BHP: Acting President Energy Coal; CFO Energy Coal; Head of Group Investor Relations and Chief Financial Officer, Diamonds and Specialty Products
- Formerly held investment banking roles with UBS in London and Standard Bank in Johannesburg



- **Carole Whittall – CFO, Yellow Cake plc**
- Formerly Vice President, Head of M&A, CSR and government relations at Arcelor Mittal Mining
- Previously held commercial and business development roles with Rio Tinto
- Prior investment banking roles with JP Morgan and Standard Bank



- **Andrew Krelle – VP Investor Relations**
- Eight years' experience in mining and finance
- Previously, Investor Relations and Research at 121 Group, Hong Kong
- Geologist roles with BHP, U&D Mining and Moreton Resources

Yellow Cake Independent Non-Executive Directors



- **The Lord St John of Bletso, Chairman**
- Cross-bench peer; member Select Committee on Communications, Vice Chairman of All Party Parliamentary South Africa Group
- Currently non-executive director of Albion Ventures LLP, Chairman of the Governing Board of Certification International and Chairman of Strand Hanson
- Previously: Chairman of Spiritel; non-executive director of Regal Petroleum, Sharp Interpak and Pecos Group; served on advisory boards of Infinity SDC, Chayton Capital and Ariya Capital



- **Alexander Downer**
- Served as the Australian High Commissioner to the UK, a post which he held since 2014
- Following retirement from politics in 2008, appointed Special Adviser to the UN Secretary-General on Cyprus
- Longest serving Minister for Foreign Affairs in Australian history
- Leader of the Opposition in the Australian Parliament 1994 -1995



- **Alan Rule**
- CFO of Galaxy Resources, Australia's largest lithium producer
- Formerly CFO and director of Sundance Resources and CFO of Paladin Energy
- Previously a director of Mount Gibson, Western Metals and St Barbara Mines



- **Sofia Bianchi**
- Founding Partner of Atlante Capital Partners, and previously Head of Special Situations at BlueCrest Capital Management
- Formerly Deputy Managing Director of Standard Bank Emerging Africa Infrastructure Fund and Senior Executive at EBRD
- Previously a non-executive director with Kenmare Resources



- **Alexandra Nethercott-Parkes**
- Client Director of Langham Hall Fund Management (Jersey) Limited
- Previously Assistant Vice President Deutsche Bank within the corporate services division in Jersey.
- Principal Person with the Jersey Financial Services Commission
- BA (Hons) in Psychology with Economics, and is an Associate of the Institute of Chartered Secretaries.

