



PURE EXPOSURE TO THE
URANIUM COMMODITY

INVESTOR PRESENTATION

August 2020

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Investment Case for Yellow Cake

Industry Context

Steady uranium demand growth from nuclear reactor build programme

Additional supply risks due to COVID-19

Sustained low uranium prices have led to supply cuts

Restricted investment into new supply sources

Yellow Cake Investment Highlights

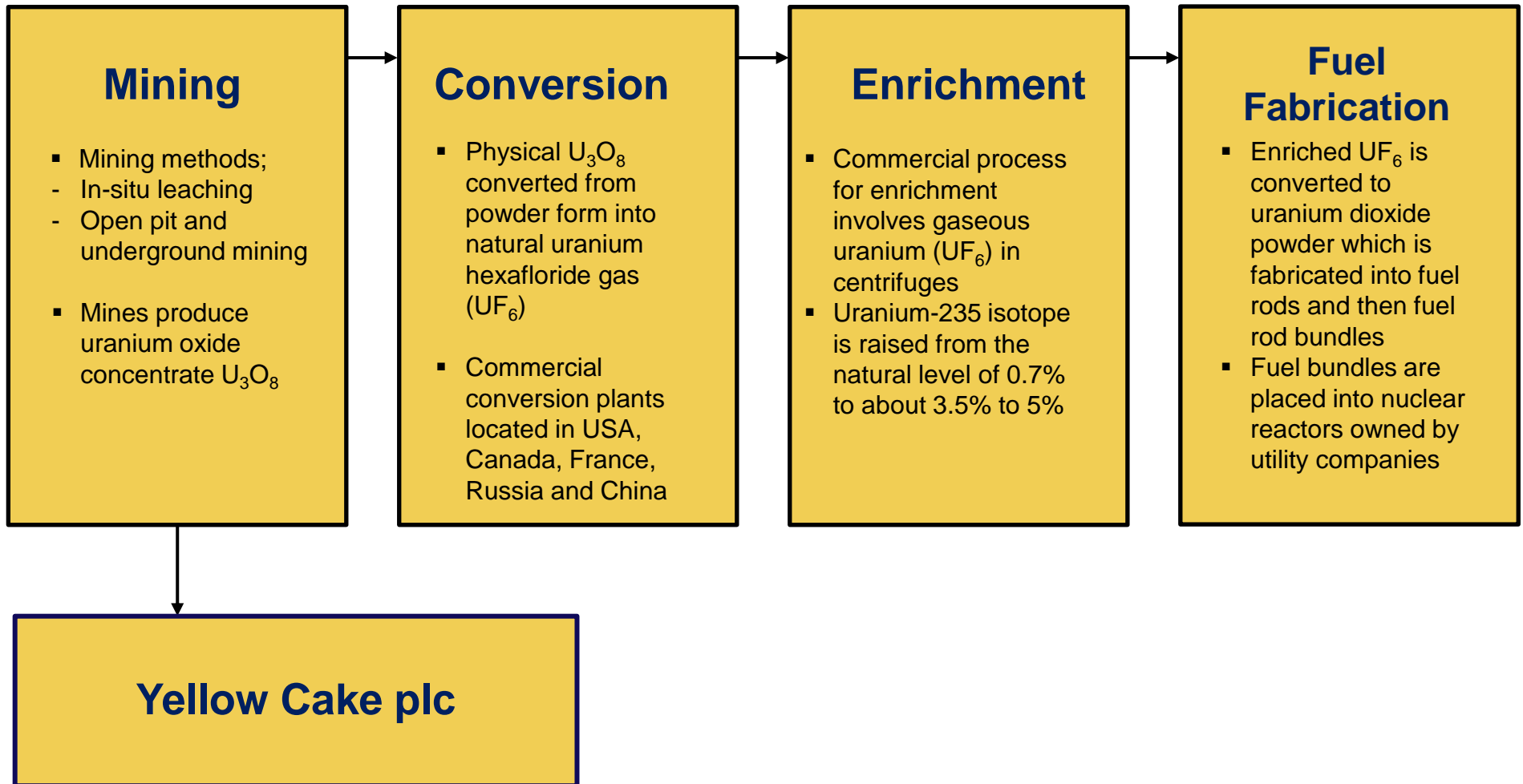
Holdings of physical U_3O_8

No operating risks

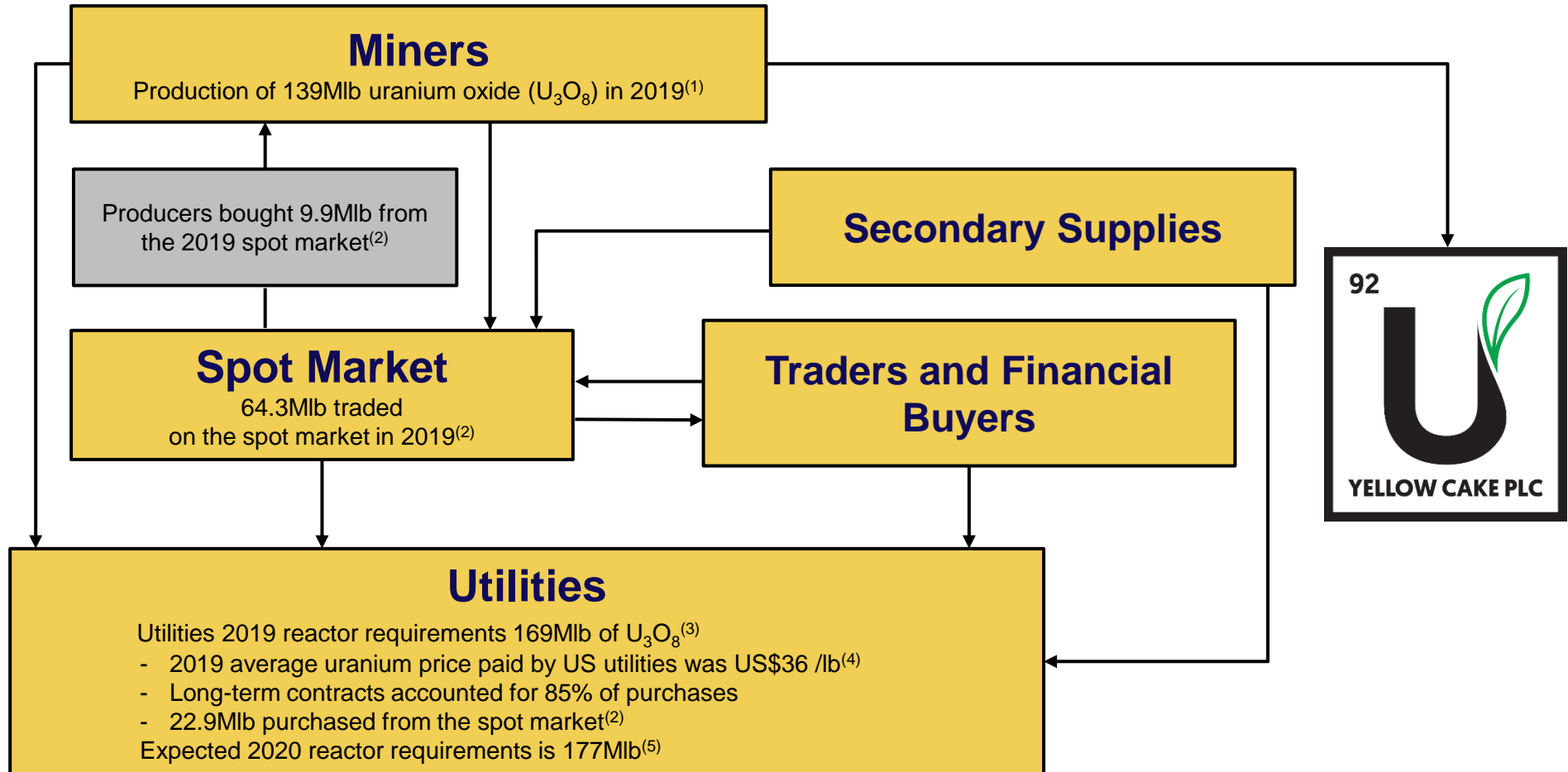
Low cost structure

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

The Nuclear Fuel Value Chain



The Uranium Market



Source

- (1) UxC LLC - 2019 U_3O_8 Production Review, May 2020
- (2) UxC LLC - 2019 Uranium Spot Market Review, February 2020
- (3) World Nuclear Association, World Nuclear Power Reactors & Uranium Requirements (August 2019)
- (4) U.S. Energy Information Administration 2019 Uranium Marketing Annual Report (May 2020)
- (5) World Nuclear Association, World Nuclear Power Reactors & Uranium Requirements (July 2020)



Yellow Cake

Key contracts provide strategic advantage

Kazatomprom Framework Agreement

Kazatomprom

- The world's largest and lowest cost producer⁽¹⁾
- 10-year Framework Agreement gives the Company the right to purchase up to US\$100M of U_3O_8 each year from 2019 to 2027
- Purchase price based on the spot price
- The Company can also source uranium from any other producers if advantageous

Cameco Storage Contract

Cameco – Blind River, Canada

- World's second largest uranium producer⁽¹⁾
- Yellow Cake holds 8.72Mlb of U_3O_8 in a storage account at regulated facilities operated by Cameco at Port Hope/Blind River in Ontario, Canada
- Storage rates have been negotiated to achieve significant cost savings and support the Company's low cost operating structure



308 Services

308 Services Ltd

- A uranium specialist company focused on the uranium commodity market
- 308 Services brings significant uranium expertise and market knowledge and supports Yellow Cake in procurement and other uranium transactions

Orano Storage Contract

Orano – Malvési and Tricastin

- In 2020, 600,000lb of U_3O_8 was transferred into a storage account at Orano Cycle's Malvési/Tricastin storage facility in France under location swap agreements
- The Company enters into transactions such as location swaps from time to time, when this is commercially advantageous

Yellow Cake 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\$200M
- Purchased 8.1Mlb U₃O₈ at US\$21.01 /lb

August 2019

- Purchased 350klb U₃O₈ at US\$23.30 /lb

April 2019

- Raised US\$33.9M

June 2019

- Purchased 1.175Mlb U₃O₈ at US\$25.88 /lb

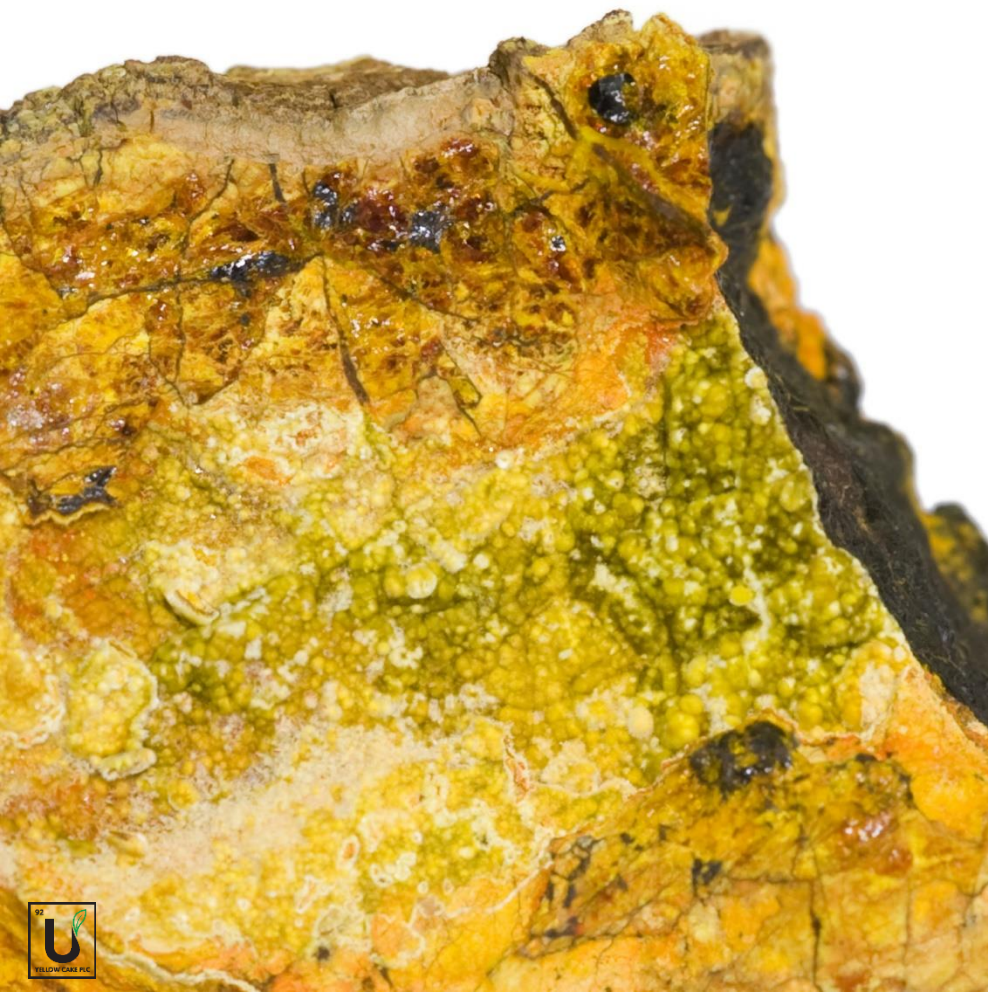
January 2020

- Yellow Cake announces share buyback programme

July 2020

- Yellow Cake sells 300klb U₃O₈ for US\$33.20/ lb
- Announces larger US\$10M share buyback programme

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



Yellow Cake Corporate Summary

Last Share Price	£2.19
NAV per share ⁽¹⁾	£2.77
Market Cap (M)	£187
Shares Out. (M)	88.2
Shares Held in Treasury (M)	1.8
52 wk High	£2.35
52 wk Low	£1.36

Analyst Coverage and Rating



Buy



Buy



Buy

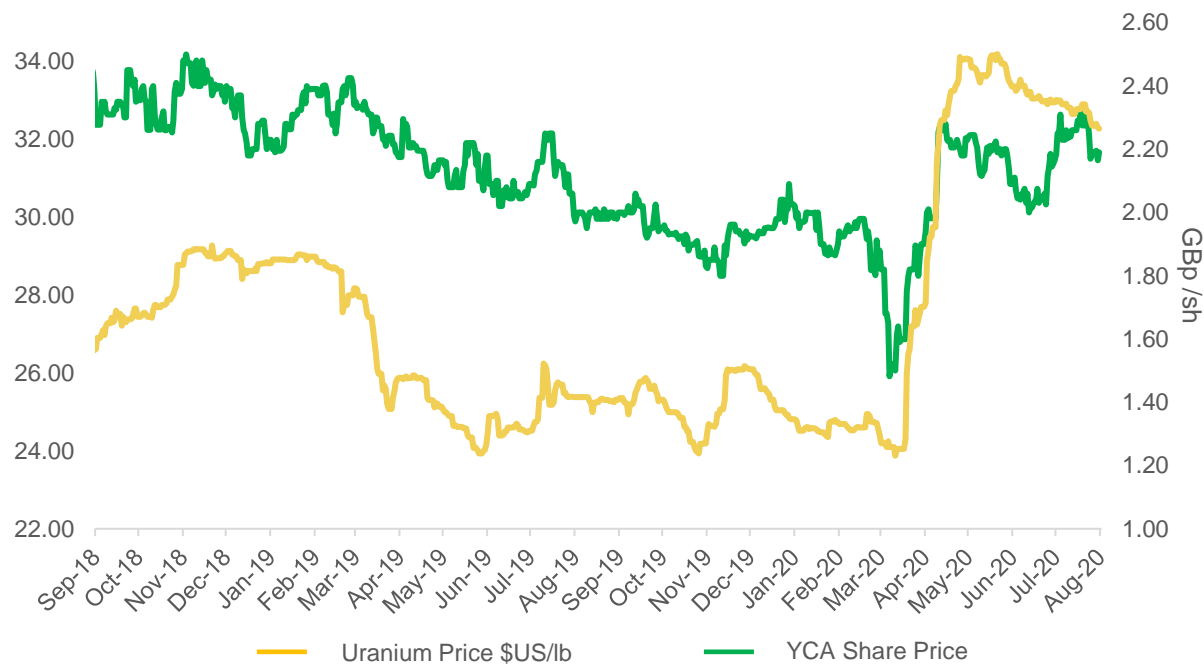
Numis

Buy

Renaissance Capital

Buy

Share Price and Uranium Price⁽²⁾



Blue Chip Shareholder Registry



Kopernik
Global Investors, LLC

Buy

URANIUM
ROYALTY CORP



Buy



Buy



Source:

(1) Yellow Cake's estimated net asset value on 28 July 2020 was £2.77 per share or US\$311.9 million, consisting of 9,316,385 lbs of U₃O₈ valued at a spot price of US\$32.20/ lb (UxC LLC 27 July 2020), a derivative liability of US\$2.6 million, and other net current assets of US\$14.5 million as at 30 June 2020

(2) UxC LLC & Cap IQ 5 August 2020



Uranium Market Overview



Nuclear is a Key Element of Global Energy Supply

Lowest non-carbon
operating cost per MWh⁽¹⁾

One of the lowest sources
of carbon emissions per MWh

Nuclear energy provides reliable
base load power

Nuclear energy
is sustainable

Nuclear is increasingly being recognised
as a contributor to a low carbon future

Growing interest in
Small Modular Reactors

Current Demand

The World Nuclear Association estimates a total of 177 Mlb of uranium is required to power today's fleet of 440 operating reactors⁽¹⁾

USA

95 operating reactors

France

56 operating reactors

China

47 operating reactors

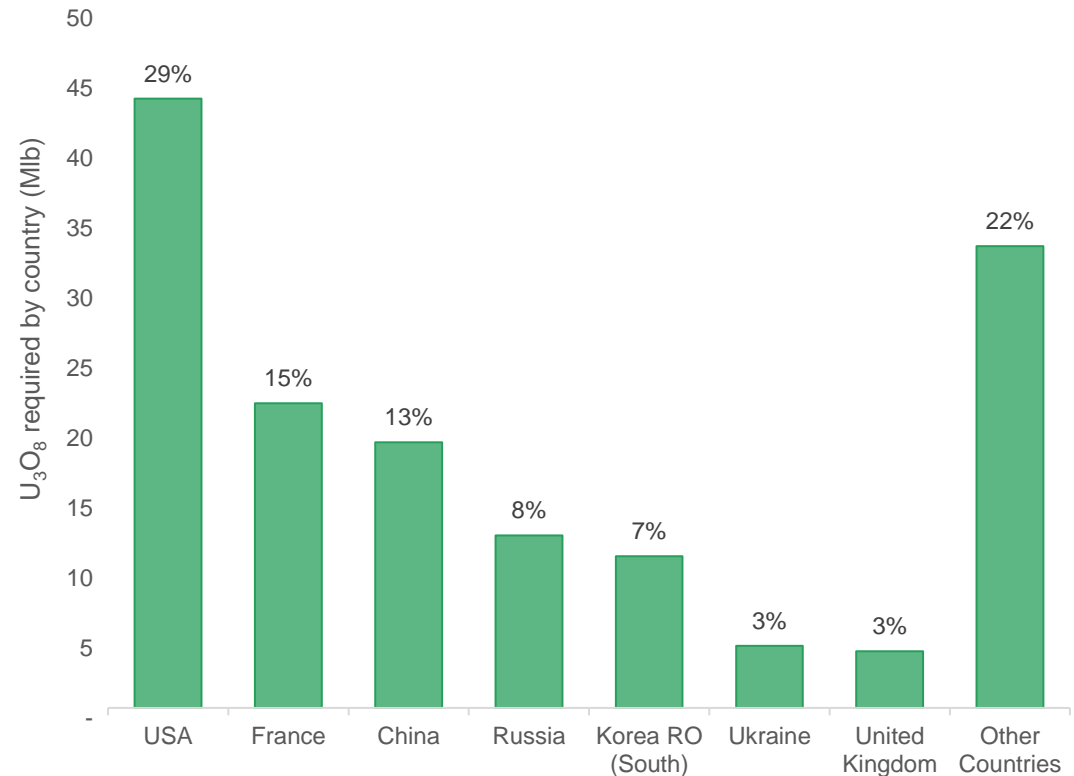
Russia

38 operating reactors

South Korea

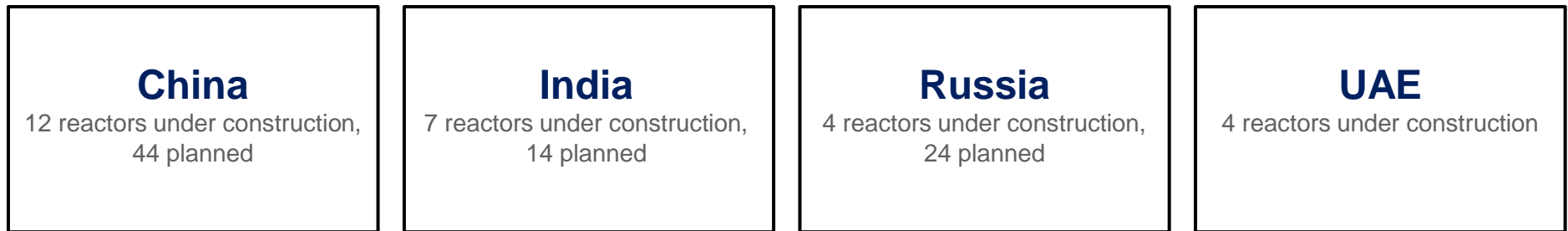
24 operating reactors

Uranium requirements percentage of world demand⁽¹⁾



Future Demand

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



	Operating Reactors ⁽¹⁾	Reactors Under Construction ⁽¹⁾	Planned Reactors ⁽¹⁾	Proposed Reactors ⁽¹⁾
World Nuclear Reactor Fleet	439	56	108	329
China Reactor Fleet	47	12	44	168

Supply – Uranium Price Chart

Historical Uranium Price⁽¹⁾

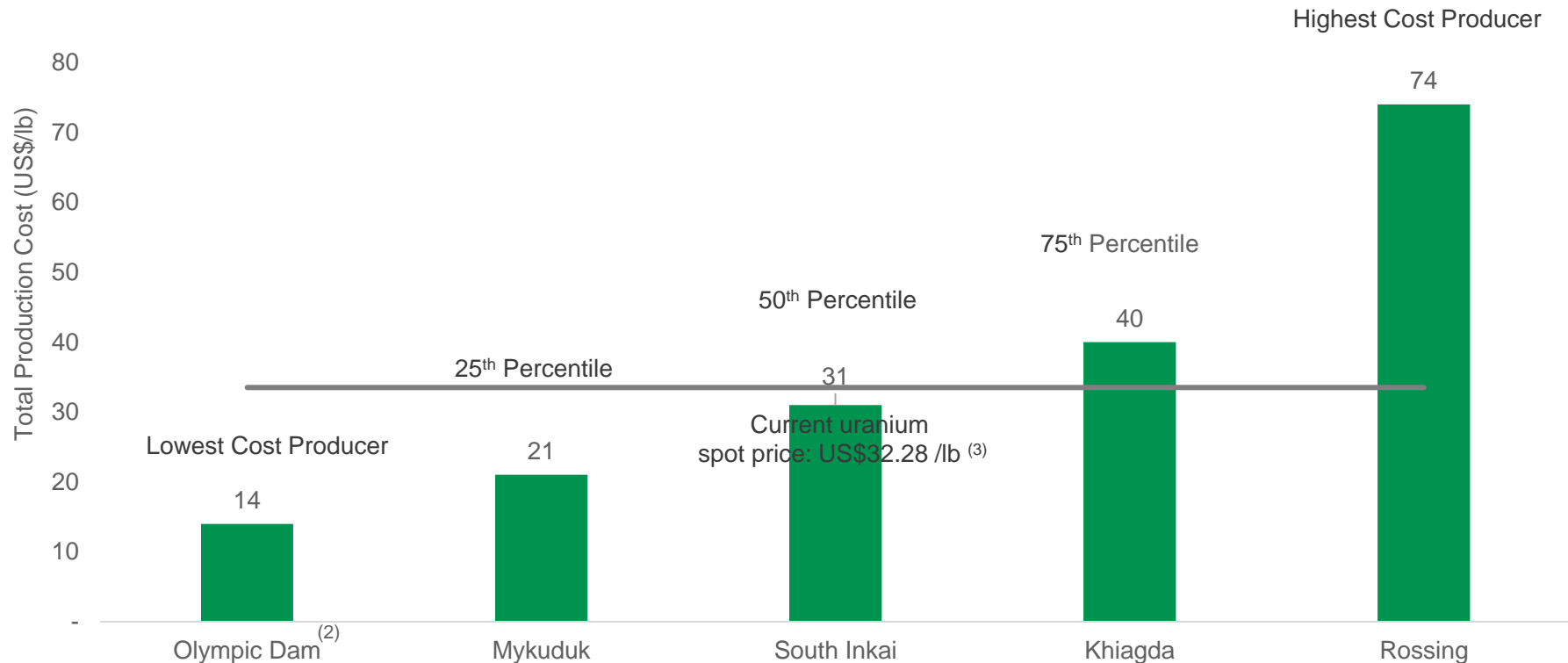


Source
 (1) UxC LLC price 5 August 2020
 (2) CapIQ, Energy Fuels, Bloomberg, NUEXCO

Supply

Significant portion of 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

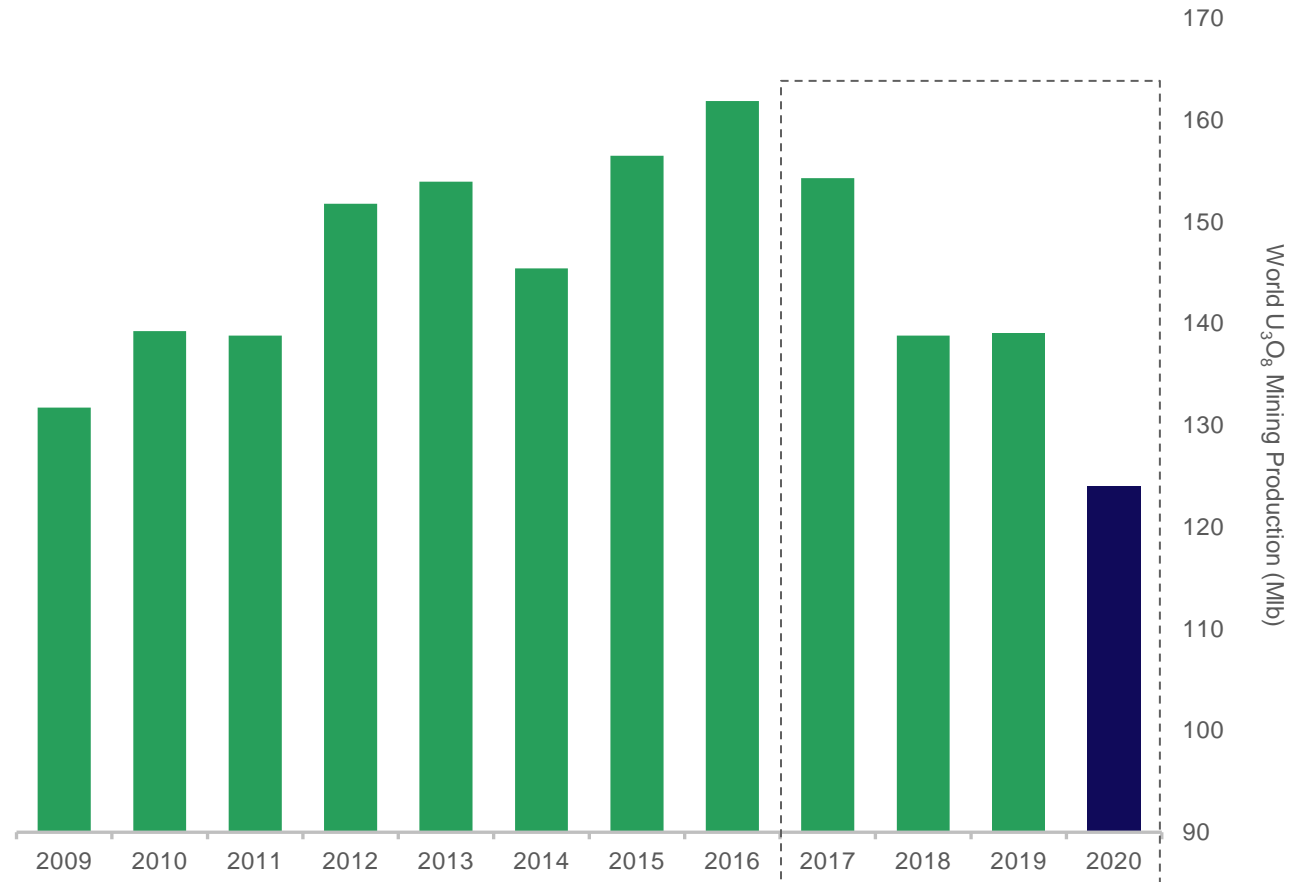
(3) UxC LLC price 5 August 2020

Global Supply Cuts

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

Production cuts seen from 2016⁽¹⁾

- Supply side responses have been the major theme of the market since 2016
 - Cameco's shut down of Rabbit Lake in 2016, and suspension at McArthur River in 2018
 - Kazatomprom's announcement in 2017 of a 20% production reduction for three years
 - Paladin suspension at Langer Heinrich in May 2018
- Recent announcements of Cigar Lake suspension and Kazatomprom production curtailments related to COVID-19



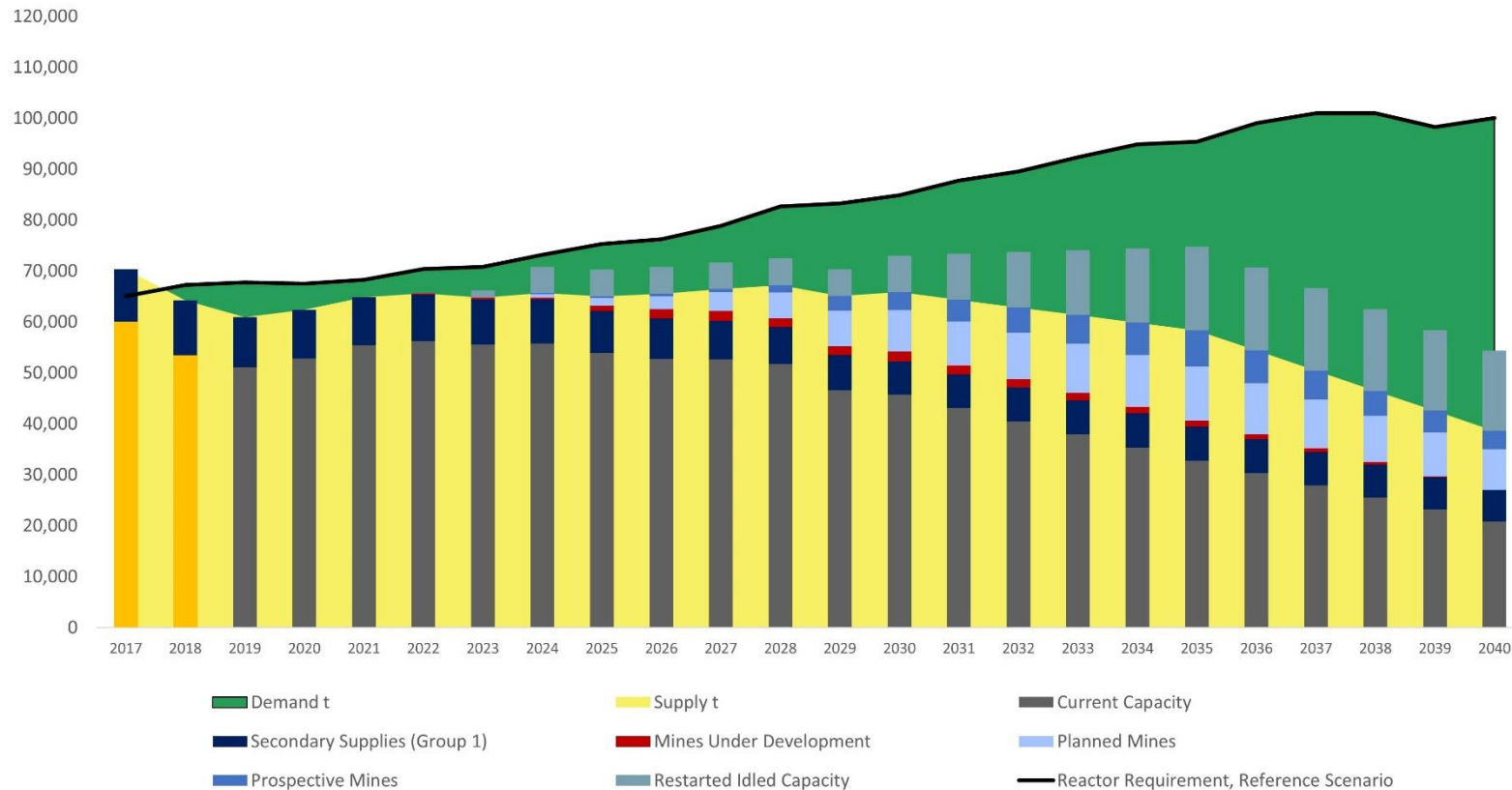
Source

- (1) World Nuclear Association, World Uranium Mining Production (August 2019)
- (2) UxC LLC – 2020 uranium production guidance. 2019 U3O8 Production Review, May 2020.

Growing Mine Supply Gap

Underinvestment in exploration and development is leading to a potential future supply gap. The Reference market scenario incorporated in latest WNA nuclear fuel market report shows immediate global market supply deficit⁽¹⁾

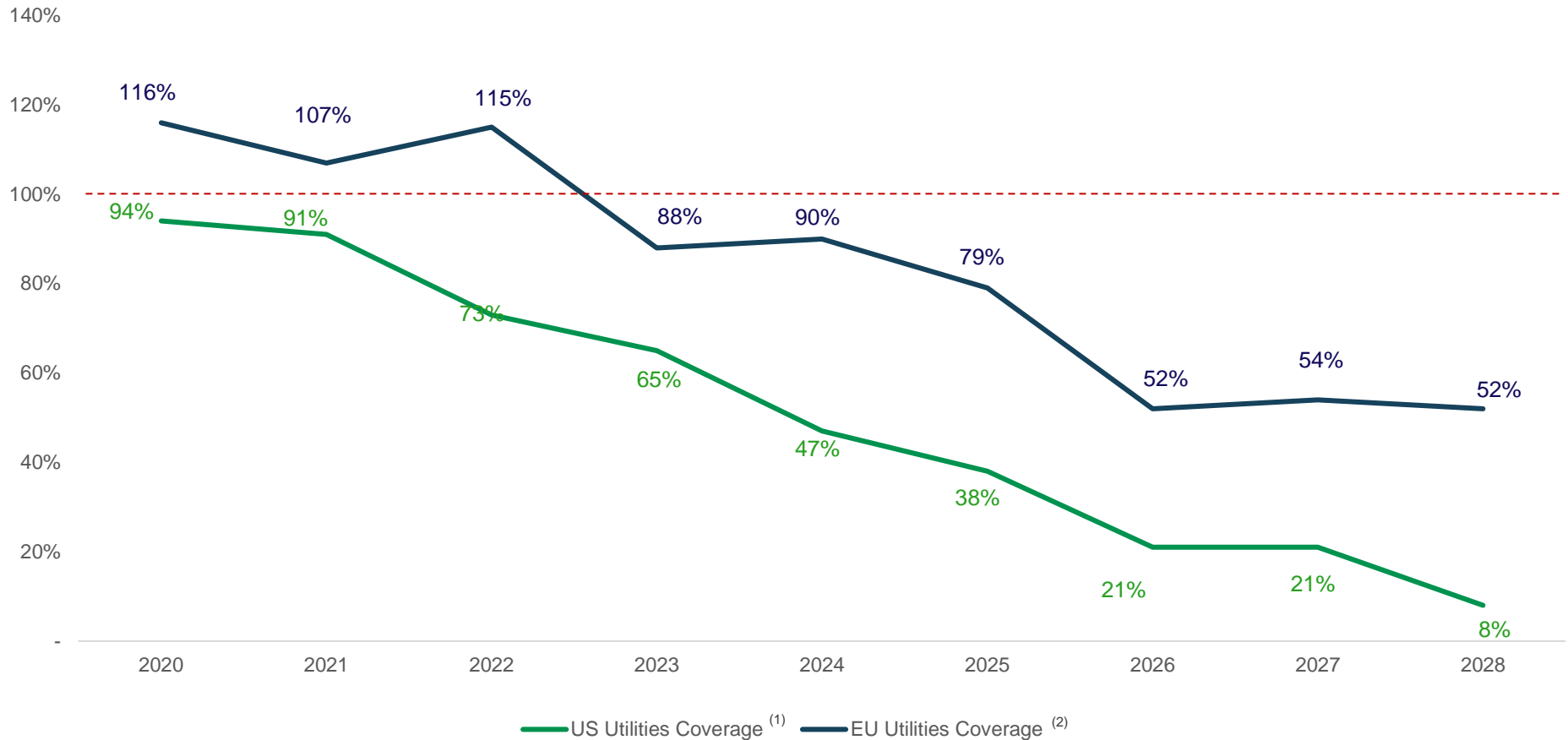
Supply / Demand Imbalance (U₃O₈ tU)



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

(2) Euratom Supply Agency Annual Report 2019 (30 June 2020)

Yellow Cake

Investment highlights and outlook

Yellow Cake

- Yellow Cake provides pure exposure to the uranium price, without any operating risks
- The Company has a low cost structure
- Yellow Cake has access to significant quantities of uranium at the spot price

Market Outlook

- The uranium spot price has performed strongly year-to-date on the back of COVID-19 related supply impacts
- Uranium contract coverage in the US declines markedly from 2022-2023, down to less than 50% by 2024
- Immediately prior to the COVID 19 pandemic, US utilities were entering the long term market and we expect utilities to re-enter the term market into Q4
- The Russian Suspension Agreement negotiations are creating some near term uncertainty
- We continue to see more risk to the uranium supply side than the demand side