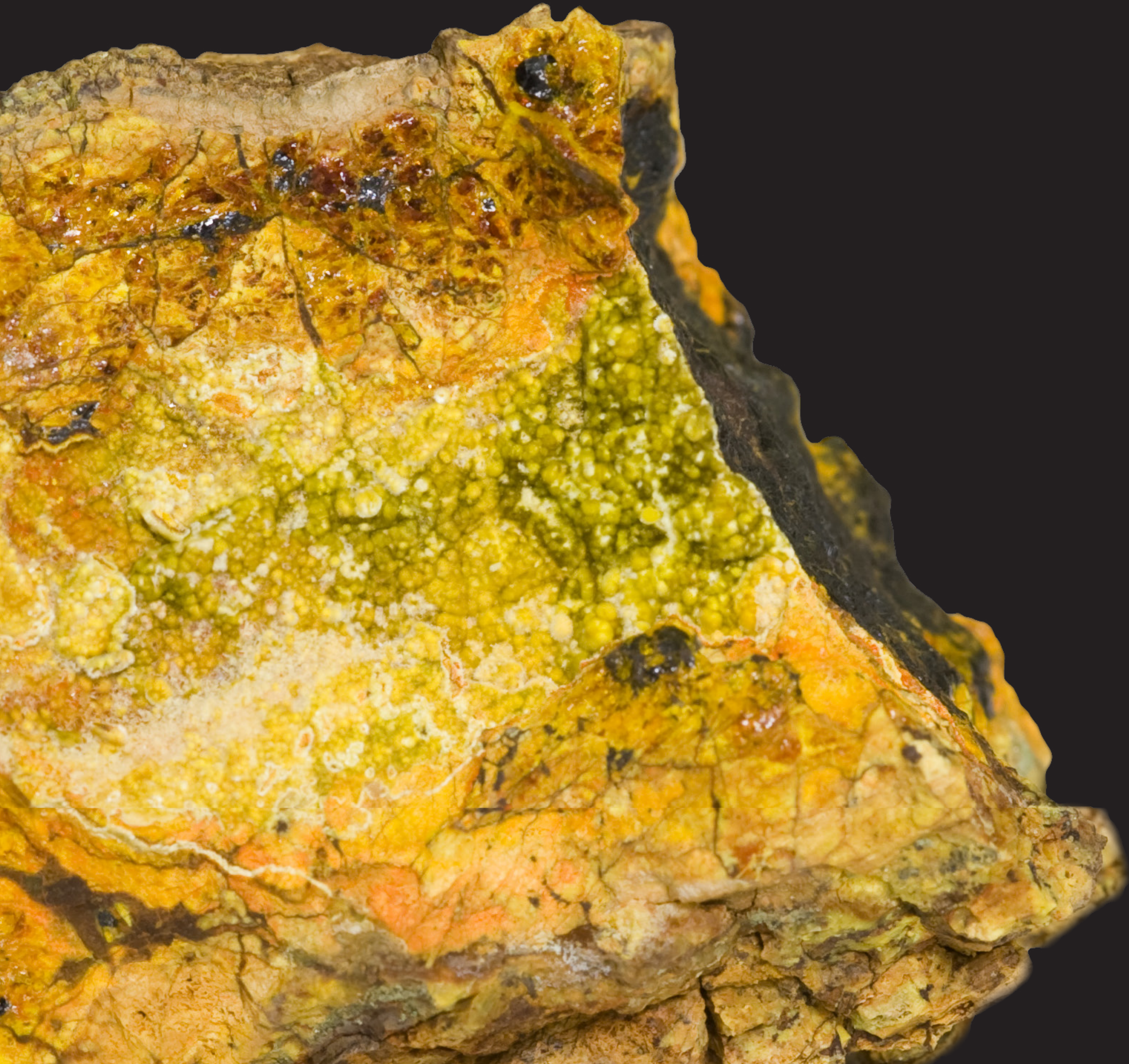
YELLOW CAKE PLC

ANNUAL REPORT

for the year ended 31 March

2020



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.

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

Contents

Yellow Cake at a glance

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

Yellow Cake 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.

The Company has a long-term Framework Agreement for supply of U_3O_8 with Kazatomprom, the world's largest uranium producer. This enables Yellow Cake to access up to USD100 million of uranium annually from Kazatomprom at the spot price until 2027.

The Company has a low-cost outsourced business model that provides access to corporate functions and industry expertise.

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.

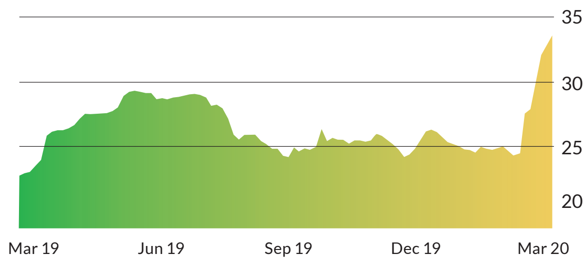
Key points

London-listed on AIM

Headquarters in **Jersey**

Holds **9.62 million lb** of U_3O_8 as at 31 March 2020 acquired at an average cost of USD 21.68/lb

URANIUM PRICE (USD/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 emerging supply-side discipline 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.

Strategic report

Raised

GBP25.9 million

(approximately USD33.8 million) through a placing of shares in April 2019 and acquired an additional 1.175 million lb of U_3O_8 at a price of USD25.88/lb

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

6%

from USD25.75/lb on 31 March 2019 to USD27.40/lb[1] on 31 March 2020

Profit after tax of

USD12.5 million

for the year ended 31 March 2020 (2019: USD29.7 million)

Acquired

309,788

ordinary shares in the Company (now held in treasury) at a cost of USD726,320 and a volume weighted average price of GBP1.82 per share in a share buyback scheme. The shares were acquired at a volume weighted average discount to net asset value of 15%, effectively acquiring exposure to uranium at a discount to the commodity spot price

Net asset value of

USD3.04[2] (GBP2.45)

per share as at 31 March 2020 (2019: USD2.93 (GBP2.25) per share)

The value of the Company's U_3O_8 holding has increased by

26%

to USD263.5[1] million as at 31 March 2020 relative to the average acquisition cost of USD208.6 million (USD21.68/lb)

After year end, the U_3O_8 spot price continued to rise as a result of the impact of COVID-19 on uranium production, increasing to USD32.80/lb on 6 July 2020, and the value of the Company's U_3O_8 holding increased a further

16% **to USD305.6[3] million**

[1] Based on the month end spot price of US$27.40/lb published by UxC LLC on 30 March 2020.

[2] Net asset value per share on 31 March 2020 is calculated assuming 88,215,716 ordinary shares in issue less 309,788 shares held in treasury, the Bank of England's daily USD/ GBP exchange rate of 1.2403 on 31 March 2020 and the month-end spot price published by UxC LLC on 30 March 2020.

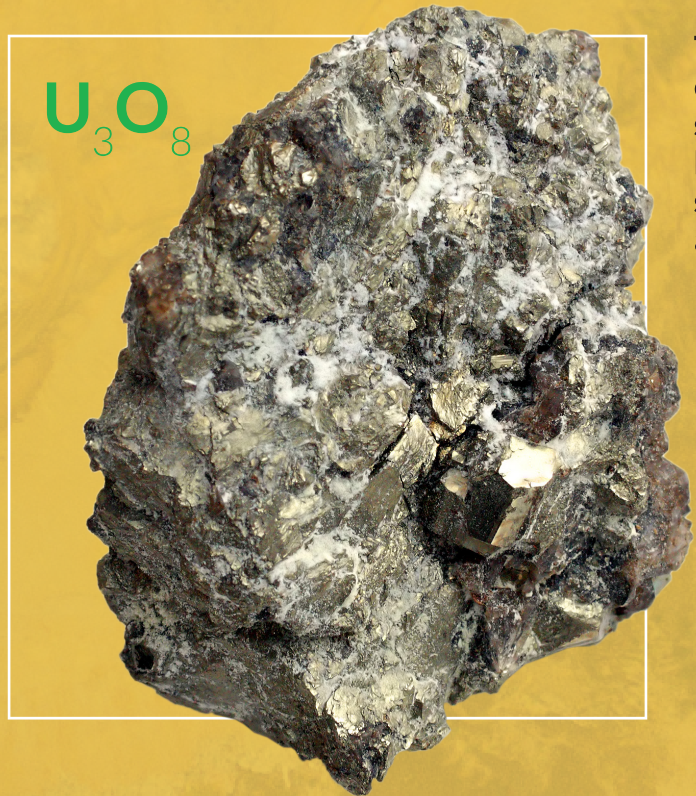
[3] Based on the weekly spot price published by UxC LLC on 6 July 2020 and 9,316,385 lb U_3O_8 held by the Company after the sale of 300,000 lb U_3O_8 on 30 June 2020.

What we do

Yellow Cake plc (the “Company”) is a London-listed company, headquartered in Jersey, established in 2018 to offer investors exposure to the uranium commodity at a time when the supply/demand fundamentals strongly suggested a resurgence in uranium prices.

At 31 March 2020, the Company owned 9.62 million lb of uranium oxide concentrate (U_3O_8) which was stored at Cameco’s Port Hope/Blind River facility in Ontario, Canada, a licensed conversion facility. Since April 2020, some of the Company’s holding is now held at Orano Cycle’s Malvési/Tricastin storage facility in France.

In May 2018 the Company entered into a ten-year Framework Agreement for supply of U_3O_8 with Kazatomprom, the world’s largest uranium producer and one of the world’s lowest cost uranium producers, which enables Yellow Cake to access uranium at an undisturbed spot price. The Framework Agreement confers the right to purchase up to USD100 million of U_3O_8 each year to 2027 at a price to be agreed prior to announcing the purchase to the market. This ensures that any future purchases of uranium from Kazatomprom may be conducted at a price that is not disturbed by market anticipation of a significant purchase and that the Company’s shareholders will benefit from any subsequent uranium price uplift.



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

The Lord St John of Bletso

> "Yellow Cake is mindful of the significant impact COVID-19 is having on those around us and on the global economy. Our low-cost, defensive business model positions the Company to ride out the immediate impact. The skewed nature of the pandemic's impact on uranium supply and demand is likely to support our investment thesis in the short term, while the long-term drivers for increased uranium demand continue to strengthen."

The unprecedented global lockdown following the COVID-19 pandemic has posed massive short- and medium-term challenges. As a Company, we are mindful of the significant impact COVID-19 is having on families and friends around the world and express our heartfelt thanks to those who are working to keep us safe and well.

In this challenging and uncertain environment, Yellow Cake is well-positioned to absorb the immediate impact. The Company has only two employees (the CEO and CFO) and no operating assets. Our balance sheet has no debt or hedges, and has sufficient working capital (excluding the proceeds from the post-year-end sale of uranium) for approximately 18 months before the need may arise to raise additional funds for working capital.

The benefits of only participating in the uranium market by holding and transacting in physical U_3O_8 have become very evident as all the other elements of the uranium production cycle have been impacted – exploration, development, mining and processing. The pandemic has highlighted the concentration of uranium supply with a significant curtailment in production as a result of the lockdowns in certain producing countries. In contrast, the demand side is very distributed and, while there is expected to be a reduction in demand for electricity as economies contract, nuclear only provides about 10% of global electricity supply and generally forms part of the baseload requirement.

Yellow Cake provides liquid exposure to the uranium spot price

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

Increasing holdings of U_3O_8

In April 2019, the Company placed 12 million new ordinary shares, the proceeds of which were used to purchase 1.175 million lb of U_3O_8 at a price of USD25.88/lb during a pullback in the uranium price.

While Yellow Cake's share price declined over the course of the year, it remained relatively resilient compared to the rest of the market, demonstrating the defensive nature of our business. With the share price trading below its net asset value, the Board took advantage of this discount and implemented a share buyback programme in January 2020. This programme is an effective way to increase shareholders' exposure to U_3O_8 at a discount to the commodity spot price, supporting our broader strategy to deliver value to shareholders. By the end of the financial year, the Company had acquired 309,788 of its ordinary shares and, after year-end, the buyback programme was extended. At the end of June 2020, after year end, the Company announced a substantially increased buyback programme to purchase up to USD10 million of the Company's shares, financed by the disposal of 300,000lb of U_3O_8.

Governance

Yellow Cake's Board of Directors is committed to maintaining high ethical standards as reflected in our Code of Conduct and governance framework. The Company 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 simplicity of the organisation limits the number of points of interface and improves governance and oversight. We regularly review and update our compliance policies and, during the year, we updated all of our governance policies to align with the principles in the new Code. Effective policies and measures are in place to prevent the opportunity for bribery or inducements. We conduct diligence on our suppliers and business partners to ensure that their business practices meet our standards and have a whistleblowing policy in place.

The Board plays an active role in overseeing the Company's activities and met ten times during the year to 31 March 2020. 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. James Keating resigned as an Independent Non-Executive Director with effect from 31 May 2019 and Alexandra Nethercott-Parkes joined the Board as an Independent Non-Executive Director with effect from 18 July 2019. We thank James for his contribution to the Company during his tenure and welcome Alexandra to the Board.

Stable demand in the face of constrained supply

While the disruption caused by COVID-19 has impacted every country, nuclear power's important role in the global energy supply is expected to remain intact as a means of generating reliable baseload energy at a low operating cost. As a low-carbon energy source, nuclear is likely to form an integral part of future energy plans as countries seek to meet their carbon emission reduction commitments and limit global warming. Advances in new technologies including small modular reactors could speed the deployment of nuclear power solutions and broaden their acceptance.

Early indications are that the pandemic is significantly disrupting uranium production. In the medium- to long-term, the underinvestment in uranium resources and concentration of production suggests continued constraints in supply. New reactors currently under construction and those planned represent a 37% increase in the global reactor fleet from the current position[1]. The longer-term forecast shows a net growth in the reactor fleet of 30% to 2040.

The conclusion of the US Department of Commerce Section 232 investigation and release of the report of the US Nuclear Fuels Working Group removes a great deal of the uncertainty that has affected the uranium market for the last two years.

These factors demonstrate the continued asymmetry in uranium supply and demand, which was the fundamental principle upon which Yellow Cake was established. This dynamic has been exacerbated in the short term by COVID-19, but looks set to persist into the medium- and long-term.

Dividend policy

Since one of the Company's objectives is to realise a return on investment from the appreciation in the value of its U_3O_8 holdings, 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

In closing, I would like to express my appreciation to my fellow Board members for their participation and contribution during the year. The Company's relationship with Kazatomprom, our strategic supplier, is an important aspect of our ability to create value for shareholders and we thank them for their support. The share issue in April 2019 received strong interest from investors and shareholders, with the majority of the Company's top-ten holders increasing their holdings. We thank them for their support and welcome our new shareholders to the Company.

The Lord St John of Bletso
Chairman

[1] https://www.world-nuclear.org/information-library/facts-and-figures/world-nuclear-power-reactors-and-uranium-requireme.aspx

Our strategy

Yellow Cake was established to provide investors with liquid exposure to the uranium commodity, given relatively limited opportunities available to investors to hold the physical commodity. At the time of Yellow Cake's initial listing in July 2018, supply-demand fundamentals implied a strong recovery in the market price of uranium over time.

Our strategy is to hold physical U_3O_8 and enter into other physical related uranium activities such as location swaps, royalties and streams. Yellow Cake does not have any operating assets and does not trade its uranium holdings or enter into hedging arrangements. The Company's 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 high standards of corporate governance, with a focus on creating and protecting value for shareholders. Executive management possess significant expertise and market knowledge and are supported by 308 Services Limited, which has considerable experience in the uranium market.

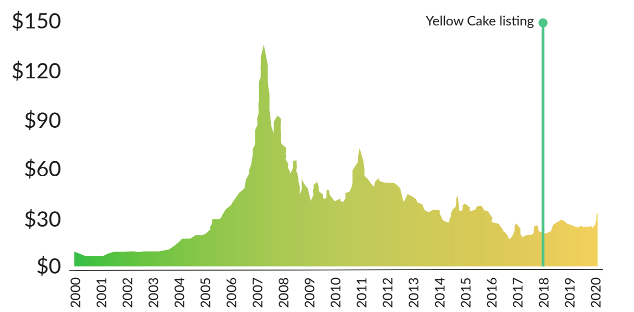
Yellow Cake seeks to leverage its expertise and market knowledge, as well as that of its service providers, to generate additional value through the purchase of uranium. We also continue to assess other operational and financial transactions to secure exposure to uranium, including locations swaps, streaming and royalties.

As discussed in the section that follows, the supply/demand dynamics in the uranium industry suggest a longer-term shortfall in supply.

The nuclear fuel value chain

The value chain from uranium mine to nuclear reactor is complex and can take up to 18 months[1]. Supply of uranium is relatively concentrated with 52%[2] of the world's uranium resources found in Australia, Kazakhstan and Canada. Together these countries produce two thirds[3] of global uranium mined production.

U_3O_8 price (USD/lb)



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 USA, Canada, France, Russia and China[4]. Enrichment facilities use centrifuges to raise the concentration of the U-235 isotope from the natural level (0.7%) to the level required for use as a fuel in nuclear reactors (3.5% – 5%). 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[5].

Fuel fabrication[6] converts the enriched UF_6 into UO_2 that is used in the manufacture of nuclear fuel bundles, which are specifically designed to the standards required by particular types of reactors. Most fuel fabricators are owned by reactor vendors, which usually supply the fuel assemblies for the reactors they produce. Significant fuel fabrication is located in China, France, Russia, the United Kingdom, the United States, Japan, Canada and India.

Secondary supply sources are a material supply of uranium and include material from commercial and government inventories, enricher underfeeding, and depleted uranium tails recovery[7].

1 *OECD-NEA, The Economics of the Nuclear Fuel Cycle (1994)*
2 *OECD-NEA & IAEA, Uranium 2018: Resources, Production and Demand*
3 *World Nuclear Association:* www.world-nuclear.org/information-library/nuclear-fuel-cycle/mining-of-uranium/world-uranium-mining-production *(Updated August 2019)*
4 *World Nuclear Association:* www.world-nuclear.org/information-library/nuclear-fuel-cycle/conversion-enrichment-and-fabrication/conversion-and-deconversion *(Updated December 2019)*
5 *World Nuclear Association:* www.world-nuclear.org/information-library/nuclear-fuel-cycle/conversion-enrichment-and-fabrication/uranium-enrichment *(Updated January 2020)*
6 *World Nuclear Association:* www.world-nuclear.org/information-library/nuclear-fuel-cycle/conversion-enrichment-and-fabrication/fuel-fabrication *(Updated April 2020)*
7 *World Nuclear Association:* www.world-nuclear.org/information-library/nuclear-fuel-cycle/uranium-resources/supply-of-uranium *(Updated August 2019)*

Mining

- Mining methods include in-situ leaching, open pit and underground mining
- Mines produce uranium oxide concentrate U_3O_8

Conversion

- Physical U_3O_8 converted from powder form into natural uranium hexafluoride gas (UF6)
- Commercial conversion plants located in USA, Canada, France, Russia and China

Enrichment

- Commercial process for enrichment involves gaseous uranium (UF_6) in centrifuges
- Uranium-235 isotope is raised from the natural level of 0.7% to about 3.5% to 5%

Fuel Fabrication

- Enriched UF_6 is converted to uranium dioxide powder which is fabricated into fuel rods and then fuel rod bundles
- Fuel bundles are placed into nuclear reactors owned by utility companies

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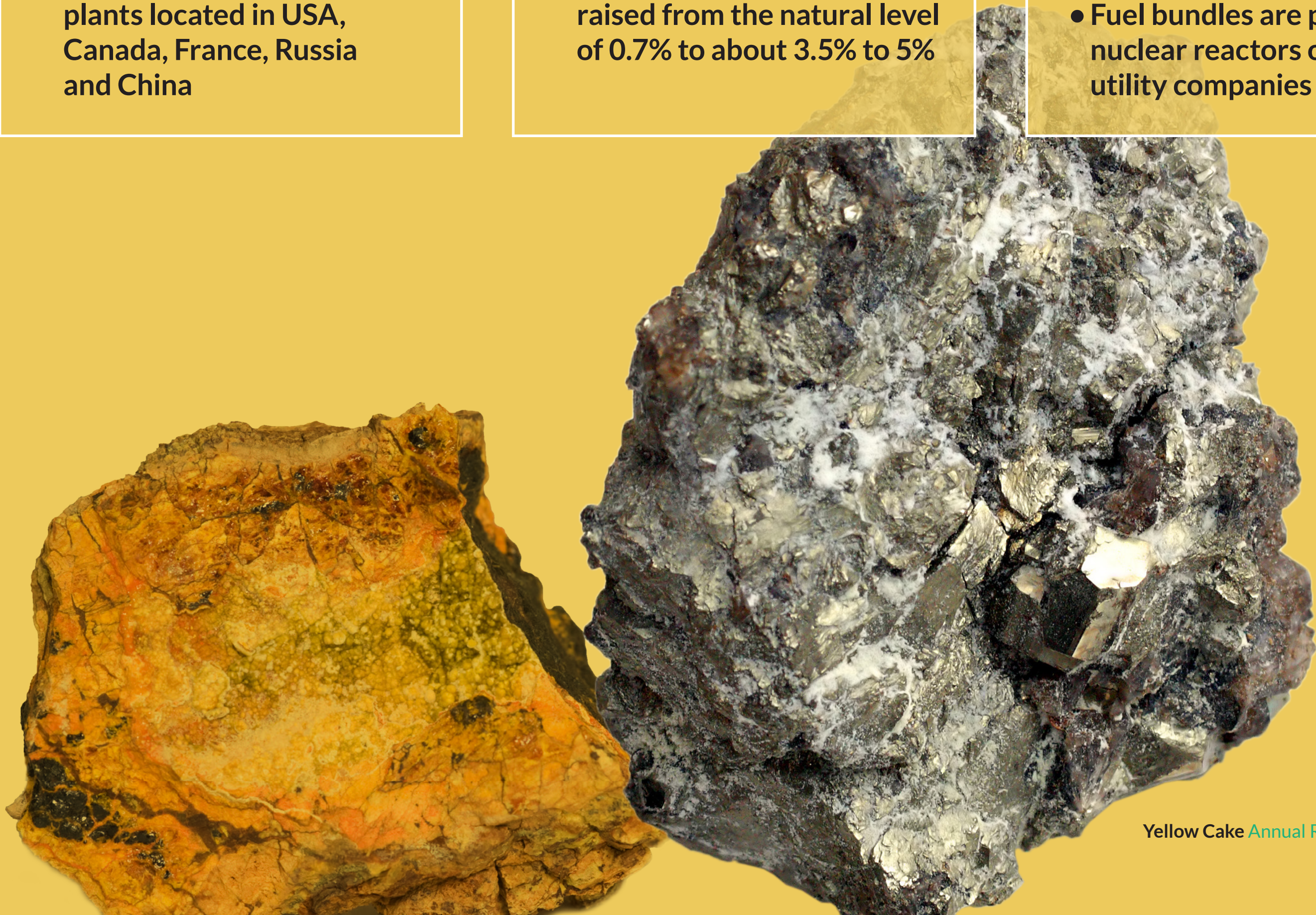
YELLOW CAKE PLC



Our strategy continued

The Uranium Market

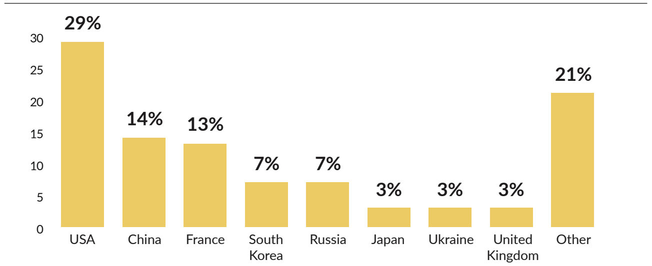
Demand-side drivers

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

Uranium is primarily used for the production of electricity in nuclear power plants, with the US accounting for nearly a third of global uranium requirements[8] for these facilities. Nuclear energy is recognised as a reliable, low operating cost and clean source of baseload energy, and reactors are being built or planned in China and many emerging markets including Bangladesh, Belarus, Egypt, Jordan, Poland, Saudi Arabia, Turkey and the UAE[8].

Global energy demand continues to increase as the economies of non-OECD countries develop and electricity consumption increases in developed markets as a result of trends such as the increased use of electric vehicles. Nuclear power is likely to remain a key contributor to global power supply and the World Nuclear Association's (WNA) reference case forecasts a 43% increase in nuclear power globally by 2040[9].

Uranium requirements percentage of world demand

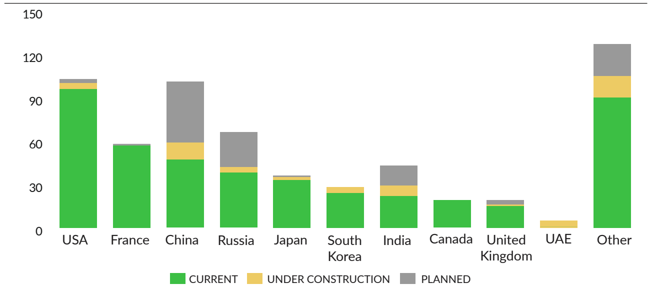


Source: World Nuclear Association[8]

There are currently 440 reactors operating worldwide with an additional 163 reactors under construction or planned[8]. Forecast growth is particularly strong in China, Russia, India and the Middle East. While the retirement of old reactors (89) largely offset the growth in new units commissioned (98) from 1998 to 2018, the WNA has concluded that there are currently no firm projections for retirements in the next two decades[10]. The World Nuclear Association's reference case conservatively estimates 154 reactors closing by 2040 compared to 289 coming online[9].

As a low-carbon source of energy, nuclear power is well placed to contribute to the goal of limiting global warming to +1.5C by 2050 in terms of the Paris Agreement on climate change. While high new-build costs and lengthy construction schedules of traditional nuclear power facilities have constrained growth in some developed markets, significant investments are being made in developing small modular reactor (SMR) solutions. SMRs typically have generation capacities below 400 MW per unit and 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.

Current and future reactors



Source: World Nuclear Association[8]

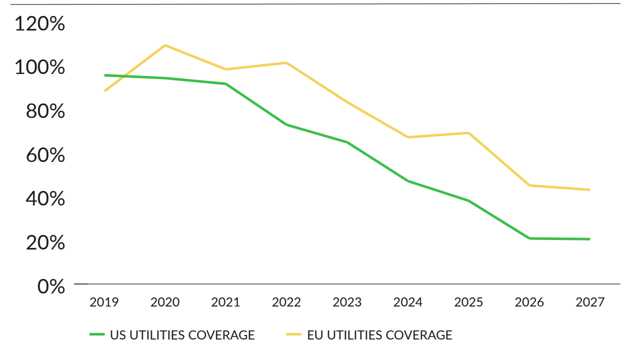
Utility long-term contracts need to be replaced

Most of the uranium inventories at utilities 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).

Nuclear power utilities secure the majority of their uranium purchases through long-term contracts, with the balance purchased in the spot market (defined as delivery within a year). Typically, around 80% to 85% of utilities' uranium purchases are contracted, however currently only around 67%[11] of European and 47%[12] of US utilities' 2024 uranium requirements are contracted.

The delay in long-term contracting could be related to the uncertainty created in the uranium market by a number of US policy issues over the past 18 months.

Future Contracted Coverage Rate of US & European Utilities



8 *World Nuclear Association: www.world-nuclear.org/information-library/facts-and-figures/world-nuclear-power-reactors-and-uranium-requireme.aspx (May 2020)*

9 *World Nuclear Association: The Nuclear Fuel Report, Global Scenarios for Demand and Supply Availability 2019-2040*

10 *World Nuclear Association: www.world-nuclear.org/information-library/current-and-future-generation/plans-for-new-reactors-worldwide (Updated March 2020)*

11 *Euratom Supply Agency Annual Report 2018 (21 March 2019)*

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

- ***USDOC Section 232 investigation***

The most significant of these issues was the launch in July 2018 of a Section 232 investigation 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. Two US uranium production companies requested government-mandated purchase requirements equating to 25% of annual domestic uranium consumption (11 – 12 million lb of U_3O_8/year) in order to support an economically-viable domestic nuclear fuel cycle.

The Section 232 investigation concluded in July 2019 with no actions taken. However, the US President did establish a US Nuclear Fuel Working Group (NFWG)[13] to examine the state of US domestic nuclear fuel production. The NFWG was given a 90-day period to report back to the White House advising of its findings and making recommendations to further enable domestic nuclear fuel production, if needed. The NFWG submitted its report late in 2019, but it was not released publicly.

The NFWG "Strategy to Restore American Nuclear Energy Leadership" report was released on 23 April 2020[14].
The report outlines 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 report includes policy recommendations on Executive, Congressional and regulatory actions that could be taken to enhance the positive attributes of nuclear power, revive the capabilities of the uranium mining, milling and conversion industries in the US, strengthen US technology supremacy, and drive US exports, while assuring consistency with US non-proliferation objectives and supporting national security. In support of the NFWG proposals, the US President's Budget Request for Fiscal Year 2021[15] included USD150 million to purchase domestic uranium and conversion services in fiscal year 2021 (commencing 1 October 2020) and a similar annual budgetary amount was included in the ten-year forward federal budget planning document.

- ***US-Iran Economic Sanctions Waivers***

The US's withdrawal from the Joint Comprehensive Plan of Action with Iran (the Iran Nuclear Deal) in 2018 led to the US imposing sanctions on Iran. Since that time, the US Department of State has issued waivers on three non-proliferation-related projects to 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.

In October 2019, the US Department of State granted 90-day extensions for economic sanction waivers, but on 18 November 2019 (effective 15 December 2019) the sanction waiver for the Fordow Enrichment Plant was terminated due to actions taken by Iran to recommence uranium enrichment. In January 2020, the US Department of State announced that the remaining sanction waivers had been extended for a 60-day period and these were renewed again in March for a further 60 days. 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. On 27 May, US Secretary of State Pompeo terminated the three remaining nuclear waivers related to Iranian nuclear projects. Secretary Pompeo extended a waiver for the Bushehr nuclear power plant for 90 days.

- ***Russian Suspension Agreement***

In 1992, the US Department of Commerce signed an agreement with the Russian Federation's Ministry for Atomic Energy suspending the antidumping duty investigation on uranium enrichment from Russia and effectively establishing an annual quota limiting the supply of nuclear fuel into the US from Russia. This agreement has been extended five times since then and the current extension expires at the end of 2020. The agreement is currently under review and could be extended on the existing basis, amended or allowed to expire. If it expires, Russian-sourced uranium products and services would enjoy unrestricted access to the US market.
The recommendations in the NFWG strategy include support for extending the agreement to prevent dumping of Russian uranium in the US market.

The persistent market uncertainty, particularly relating to the Section 232 Investigation and formation of the NFWG, contributed to a noticeable reduction in the total volume of uranium traded on the spot market in 2019 compared to 2018. Total 2019 spot market volumes approximated 65 million lbs of U_3O_8, a decline of just under 30% compared to the record levels recorded in 2018. Much of this demand was related to buying and selling between intermediary parties rather than end-user buying, which limited any positive impact on the spot price.

With the release of the NWFG report, much of the uncertainty around the policy issues has reduced and we expect pent up demand to drive the market, particularly given the need for US and European utilities to secure long-term contract coverages.

The long-term case for uranium demand remains sound, in particular as the world increasingly recognises the need

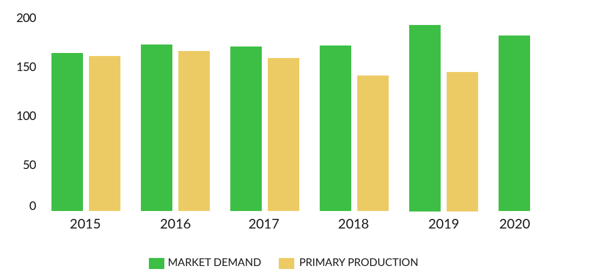
[13] www.whitehouse.gov/presidential-actions/memorandum-effect-uranium-imports-national-security-establishment-united-states-nuclear-fuel-working-group
[14] *Restoring America's Competitive Nuclear Energy Advantage: A strategy to assure U.S. national security*
[15] *A Budget for America's Future – President's Budget FY 2021 – Appendix: Department of Energy* www.whitehouse.gov/wp-content/uploads/2020/02/doe_fy21

Our strategy continued

for the clean baseload energy nuclear provides. We expect demand to rise as the new nuclear fleet currently under construction comes on stream over the next two years and we see a sustainable return to buying from the major utilities.

Supply-side drivers

Primary production and market demand (mmlb)



Source [17,18,19]

Below USD34/lb, a significant portion of production is thought to be loss-making

At a spot price of USD34/lb of uranium, an estimated one-third of worldwide production operations are believed to be loss-making on an estimated total cost basis[16]. The uranium spot price consistently traded below USD30/lb from the first quarter of 2016 until early April 2020. 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. While higher cost producers have had the benefit of long-term supply contracts set at higher prices, these contracts are now expiring.

Since 2016, producers have shown increasing supply-side discipline and selected operations have been shut down or suspended. 2019 primary production remained broadly unchanged from 2018 and around 14% lower than 2016 production. 2019 primary production represented around 79% of market demand (2018: 80%)[17].

Recent supply-side responses 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;
- Kazatomprom's announcement[20] in August 2019 of a 20% production reduction for three years compared to the planned levels under Subsoil Use Contracts; and
- A suspension at Cameco's Cigar Lake mine[21] of indeterminate duration and a reduction of production at Kazatomprom[22] announced after year end, both related to COVID-19.

Given the significant supply-side cuts that have been announced, producers have had to turn to the spot market to source uranium to cover existing long-term supply contract commitments. The thinness of the spot market means that any material producer purchase has the potential to create a rapid tightening of the spot market and potentially lead to pricing spikes.

Without a material increase in the long-term uranium price, supply deficits are projected to continue. The supply gap is currently being covered by secondary supply, largely from 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 while new uranium mines are under development.

COVID-19

The impact of the COVID-19 pandemic in the first quarter of 2020 exacerbated the supply-side pressures already emerging in the uranium market. Government-imposed social distancing restrictions and the remote locations of several uranium mining districts led to the announcement of temporary shutdowns and significantly reduced production at mines in Canada, Kazakhstan and Namibia that together represented 66% of 2019 production[17,23]. Activity at the conversion, enrichment and fuel fabrication stages of the nuclear fuel cycle could also be affected, as could the logistical links between these stages.

On the demand side, early indications are that nuclear energy production has been minimally affected to date, although this could change depending on the severity of the economic downturn and how quickly the global economy recovers. On 30 April, the International Energy Agency (IEA) released its latest global energy assessment and forecast, "Global Energy Review 2020".[24] In that report, the IEA assessed recent energy trends concluding that total electricity demand was 2.5% lower in the first quarter of 2020 compared with the same period in 2019 while demand

[16] *Company analysis based on SRK Consulting Global Operating Cost Curve for Primary Uranium Production, Section 232 Investigation of Uranium Imports dated 16 January 2018*
[17] *World Nuclear Association* www.world-nuclear.org/information-library/facts-and-figures/uranium-production-figures *(Updated May 2020)*
[18] *World Nuclear Association* www.world-nuclear.org/information-library/facts-and-figures/world-nuclear-power-reactors-and-uranium-requireme *(Updated April 2020)*
[19] *UxC LLC forecast 2019 demand and supply*
[20] www.londonstockexchange.com/exchange/news/market-news/market-news-detail/KAP/14195200
[21] www.cameco.com/media/news/cameco-restarting-production-at-ontario-operations-cigar-lake-status-unchanged
[22] www.kazatomprom.kz/en/media/view/covid19_obnovlenie_v_otnoshenii_operatsionnoi_deyatelnosti_kazatomproma
[23] *Kazatomprom 2018 Integrated Annual Report*
[24] *International Energy Agency, "Global Energy Review 2020" 30 April 2020,* www.iea.org

over the entire year could decrease by 5%. However, due to its base-load characteristics, the IEA concluded “In our estimate, nuclear power declines by 2.5% from 2019 due to lower demand and delays for planned maintenance and construction of several projects.”

While utility interest in long-term uranium purchase agreements appeared to be increasing early in this calendar year as formal requests for offers and off-market discussions between utilities and producers increased, utility interest abated as a result of COVID-19.

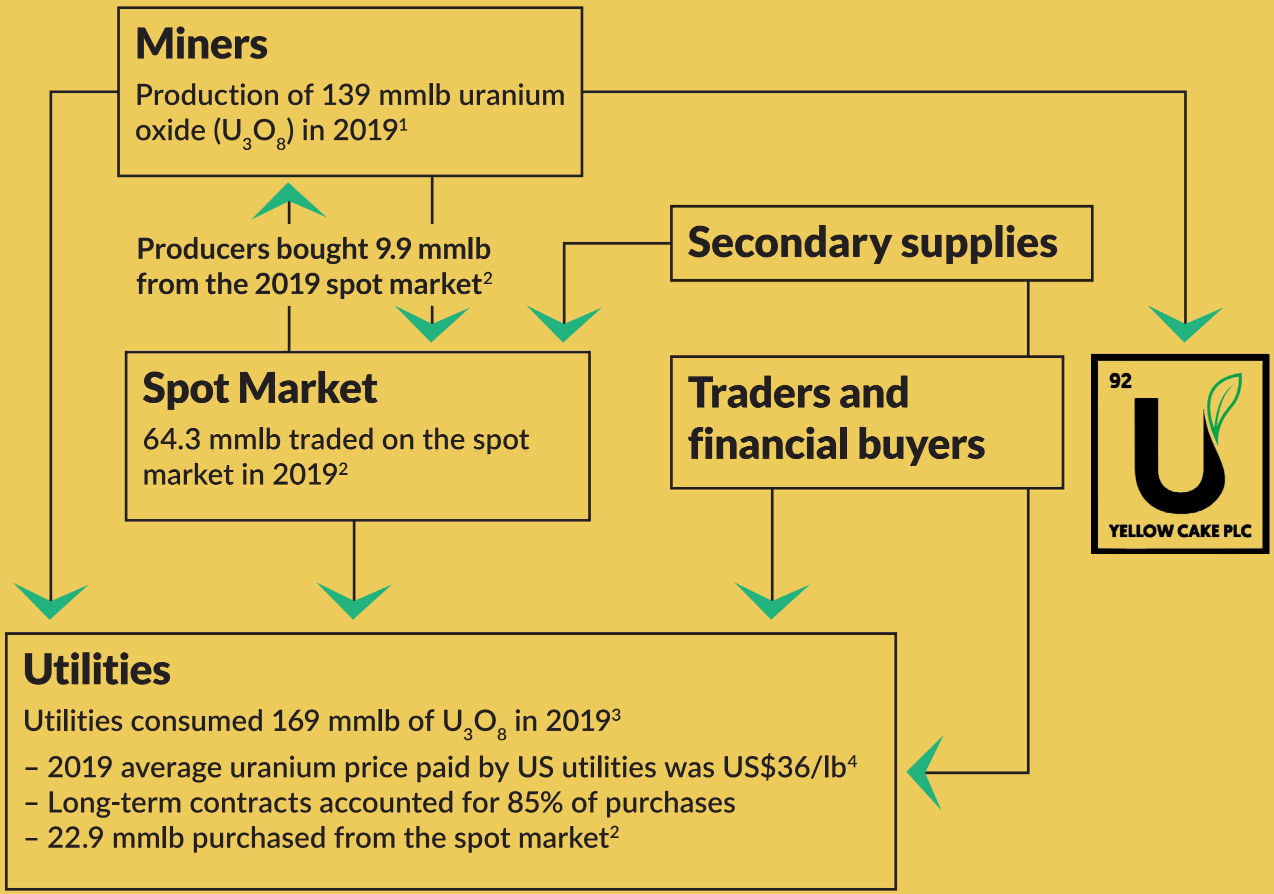
Uranium prices rose rapidly in March 2020 as a consequence of the producer curtailments and this price increase continued into April, with the spot price exceeding USD33/lb and averaging above that level throughout May and June.[25]

As a company, Yellow Cake is currently unaffected by COVID-19, both operationally and financially. The executive team is already home-based and the Company has no physical operations. We have a strong capital position with sufficient working capital (excluding the proceeds from the post-year-end sale of uranium) for more than 18 months before needing to take any measures to access additional funds. The Company has no debt or hedges on its balance sheet.

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

[25] *Based on spot prices published by UxC LLC.*

The Uranium Market



Sources
[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)*

Our business model

Yellow Cake aims to maximise investor exposure to uranium, 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

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 2020, Yellow Cake exercised USD30.4 million of its option for 2019.

The Company can also source uranium from other producers if advantageous.

Orano Cycle Storage Contract

In April 2020, 100,000lb of U_3O_8 was transferred into a storage account at Orano Cycle's Malvési/Tricastin storage facility in France as part of a location swap agreement. The Company enters into transactions such as location swaps from time to time, when this is commercially 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 to enable the Company to pursue its strategy.

Cameco Storage Contract

Most of Yellow Cake's current holding of 9.62 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.

A skilled, committed and independent board.

The highest levels of safety in the storage of uranium.

Environmental, social and governance

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. 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 size and nature of the Company's activities, its direct social and environmental impact is minimal. The key sources of ESG risk for Yellow Cake relate to its uranium supply and storage contracts. These risks are managed through the due diligence 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 environmental and social impacts of uranium mining are similar to those of most metal or mineral mines, and are regulated according to the relevant social, environmental, safety and occupational health regulations relevant to the country of operation .

Uranium ore and U_3O_8 are mildly radioactive and can cause damage from prolonged exposure. Uranium is toxic chemically and is handled and contained to prevent inhalation or ingestion. Radioactivity and toxicity increase further along the nuclear fuel value chain through concentration and enrichment. As at 31 March 2020, the U_3O_8 owned by Yellow Cake was stored in metal drums in a storage account at Cameco's Port Hope/Blind River facility.

After year-end, a small amount of U_3O_8 (100,000lb) was transferred into a storage account at Orano Cycle's Malvési/Tricastin storage facility in France as part of a location swap agreement. The Company exchanged 100,000lb of U_3O_8 it held in Canada for 100,000lb of U_3O_8 located in France. This transaction did not involve the physical transportation of uranium and was effected by book transfer.

Radiation monitoring and safe working practices are in place at Kazatomprom, where Yellow Cake has sourced its current holding of U_3O_8. Cameco's Port Hope/Blind River facilities and Orano's Malvési/Tricastin facilities have OHSAS 18001-aligned occupational health and safety management systems and ISO 14001-aligned environmental management systems in place. Kazatomprom is implementing systems aligned with these standards.

External ESG assessment

In line with Yellow Cake's commitment to responsible ESG practices, the Company commissioned an external and independent assessment of our adherence to ESG principles. The assessment was conducted by PRISM, 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 operating. 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)**

Environmental, social and governance continued

Key findings from the report include:

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 2020 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 stores its uranium inventory with Cameco (Canada) and Orano (France), both of which have ambitious environmental goals which meet global standards and extend beyond legislative or regulatory requirements.	• 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. • Yellow Cake commissioned a review of the social policies of its primary supplier, Kazatomprom, which found the company to be compliant with SDG 3 on the health and wellbeing of employees. • Yellow Cake partners Cameco and Orano have well developed standards for the health, safety, and wellbeing of employees, which are regularly assessed by both regulators and independent agents.	• Independent directors comprise 71% of Yellow Cake's Board of Directors. There is also strong female representation at Board and management 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

Andre Liebenberg

"Yellow Cake's 2019/2020 year saw the resolution of much of the industry-specific uncertainty relating to US policy issues that has overshadowed the uranium market and a strengthening of the sector themes that were the basis of the Company's formation. While the emergence of the COVID-19 pandemic introduces a new and broader uncertainty, the strong position in which the Company finds itself at the start of our new financial year demonstrates the resilience of our business model and strategy."

Yellow Cake was established two years ago at a time when supply-side issues in the uranium market began to emerge as a central theme, with the world's two largest producers announcing supply reductions. With production declining since 2016, the onset of the COVID-19 pandemic crystallised the supply-side risk with almost 35%[1] of the remaining global supply impacted within a short space of time.

There are currently 440[2] operating reactors around the world supplied from six major production centres, making for an extremely skewed supply/demand dynamic. Even before the pandemic, the majority of current uranium supply was thought to be loss making at the uranium spot prices of the last two years. The extended period of low uranium prices has meant that the necessary investment into new supply has not taken place while existing mines are exhausting their deposits. We believe the COVID-19 pandemic and likely ensuing global recession will further restrict finance available to fund new uranium projects and to also impact on future exploration activity. We believe that the visible demand growth and future supply risks set a powerful platform for Yellow Cake.

Resolution of the US Department of Commerce Section 232 investigation

During Yellow Cake's 2020 financial year, the uranium market continued to be affected by uncertainty arising from the US Department of Commerce Section 232 investigation and the establishment of the US Nuclear Fuels Working Group ("NFWG"). The release of the NFWG's report[3] in April 2020 removed the uncertainty which weighed heavily on the uranium market over the past two years. That uncertainty has limited longer-term contracting and market activity by US nuclear utilities in particular.

Developments in the uranium market

The uranium spot market price ended calendar 2019 at USD25.00/lb U_3O_8 (a deterioration of 12% over the year), and averaged USD25.68/lb over the period, trading in a narrow range. The price declined further early in 2020, reaching a low of USD24.10/lb in the middle of March.

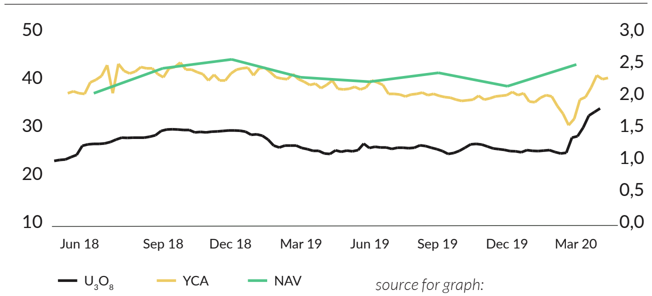
Spot market volumes in calendar 2019 were approximately 26% down on 2018 and trading volumes remained low in the first two months of 2020. The onset of COVID-19 saw a dramatic rise in the price of over 40% in a ten-week period.[4] Transactional volumes increased significantly in March with a monthly record number of transactions (76). The uranium price ended March at USD27.40/lb, continued to rise on strong volumes and averaged above USD33/lb throughout May and June.

Increased value in Yellow Cake's U_3O_8 holdings

Yellow Cake traded at a discount to its net asset value during the year, providing the opportunity to initiate a share buyback programme that effectively increases shareholders' exposure to uranium at a discount to the spot price. Although the Company's shares closed the year 15% down on the prior year, this still represents a relatively resilient performance given that the rest of the UK market was down more than 20%[5] for the same period.

The fair value of the Company's holding of U_3O_8 increased by USD15.7 million in the year to 31 March 2020, and at year-end Yellow Cake's net asset value increased 9% to GBP2.45 per share. The Company delivered a net profit after tax for the year of USD12.5 million and ended the year with cash and cash equivalents of USD6.5 million on the balance sheet, with no debt. The CFO's Review on page 20 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)



source for graph:
UxC LLC, LSE, Yellow Cake calculations

After year end, we disposed of approximately 3% of our holding of U_3O_8 to finance a significantly enlarged and extended buyback programme.

Stakeholder relationships

We held a large number of active engagements with shareholders during the year through roadshows, conferences, conference calls and investor briefings with industry experts to improve investor and analyst understanding of the industry. We also utilised media briefings and interviews as well as retail shareholder platforms to actively engage with retail shareholders. Our retail shareholder base has pleasingly increased from zero at the time of the IPO to around 22% currently. In particular, the COVID-19 related uranium price rise provided a unique opportunity to engage broadly with potential new shareholders as uranium was one of the few commodities to rise significantly as the pandemic unfolded.

Outlook

Nuclear energy has a resilient future in the long-term global energy mix as a low carbon, low operating cost, reliable and sustainable source of energy. Demand for uranium since the start of COVID-19 has so far remained steady. The release of the NWFG report is anticipated to contribute to improved uranium market conditions as the pressure on US utilities to return to contracting to address future uncovered uranium requirements is becoming more urgent. Medium- to long-term drivers of demand include the restart of reactors in Japan and the facilities planned and currently under construction in China, India and the Middle East.

The current supply-side shutdowns have already reduced supply and there is the potential for disruption in the broader uranium value chain, which takes up to 18 months to process uranium ore from mines to the point where it can be used as fuel for a nuclear power plant. Producers are also expected to increase market purchases significantly to meet contracted volumes, given the production cuts.

The long-term fundamentals supporting our view that uranium is currently under-priced remain intact and COVID-19 is worsening the short-term supply/demand imbalance.

Andre Liebenberg
Chief Executive Officer

1 *Industry analysis, Numis Securities, 7 April 2020*
2 https://www.world-nuclear.org/information-library/facts-and-figures/world-nuclear-power-reactors-and-uranium-requireme.aspx
3 *"Restoring America's Competitive Nuclear Energy Advantage - A Strategy to Restore American Nuclear Energy Leadership"*
4 *16 March 2020 to 25 May 2020*
5 *FTSE All Share -21.9%; FTSE AIM All Share -25.6%*

CFO's review

Carole Whittall

"Yellow Cake delivered a uranium related profit of USD15.9 million during the year, attributable to an increase in the underlying price of U_3O_8 which ended the year at USD27.40/lb."

Yellow Cake's annual financial statements for the year to 31 March 2020 reflect a positive performance in challenging times.

It is my pleasure to report the following audited financial statements for the year to 31 March 2020, beginning with some highlights:

An increase in the Company's uranium holding of **USD46.1 million from USD217.4 million to** **USD263.5 million**

Proceeds of USD33.8 million from the share placing in April 2019, of which USD30.4 million was applied to the purchase of **1.175 million** lb of U_3O_8 at a price of USD25.88/lb

Profit after tax of **USD12.5 million** **(2019: USD29.7 million)**

Cash of **USD6.5 million** **at 31 March 2020. (2019: USD8.8 million)**

Uranium-related profit

The fair value of Yellow Cake's U_3O_8 investment increased by USD15.7 million (2019: USD39.2 million) during the year, which translated into a uranium-related profit of USD15.9 million after taking into account the decrease in fair value of the uranium derivative liability of USD0.2 million. The derivative liability relates to the Kazatomprom repurchase option, which was valued at USD2.6 million at the end of the period (2019: USD2.8 million) and is detailed in note 7 to the financial statements.

This fair value gain in the value of the inventory arises from the increase in the underlying price of U_3O_8 which ended the year at USD27.40/lb (2019: USD25.75/lb). Yellow Cake held 8.442 million lb of U_3O_8 at the beginning of the period and acquired a further 1.175 million lb at a price of USD25.88/lb from Kazatomprom on 30 May 2019. At the end of the period, Yellow Cake held 9.616 million lb of U_3O_8.

Operating Performance

We are pleased to report profit after tax for the year of USD12.5 million (2019: USD29.7 million). Expenses for the year of USD3.5 million (2019: USD6.1 million) included the following costs:

- USD0.5 million in costs related to Yellow Cake's share placing; and
- USD0.2 million in service fees payable to 308 Services Limited in relation to the purchase by Yellow Cake of U_3O_8.

Operating costs of a recurring nature comprised:

- Procurement and market consultancy fees paid to 308 Services Limited of USD1.0 million (2019: USD0.7 million) in respect of the year (detailed in note 12); and
- Other operating costs (comprising operating and salary costs) of USD1.8 million (2019: USD1.0 million).

Operating expenses of a recurring nature of USD2.8 million represent approximately 1.0% of the Company's net asset value at 31 March 2020.

The Board approved a share buyback programme to purchase up to USD2 million of the Company's ordinary shares, starting on 22 January 2020 for an initial period of three months. The duration of the programme was extended in April to the earlier of the incurrence of the USD2 million expenditure and 21 July 2020. By 31 March 2020, the Company had acquired 309,788 shares at a volume weighted average price of GBP1.82 per share, for a total cost of USD726,320 and at a weighted average discount to net asset value of 15%. The shares repurchased are held in treasury.

On 30 June 2020, the Company announced its intention to implement a further share buyback programme to replace the previously extended programme. The enlarged programme is expected to entail the purchase of up to USD10 million of the Company's outstanding ordinary shares and will be mostly financed from the proceeds of the disposal of 300,000lb of U_3O_8. The disposal generated proceeds of USD9.9 million after costs and commission.

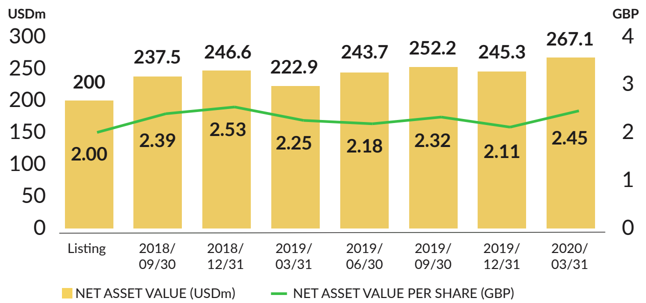
The Company does not propose to declare a dividend for the year.

Balance sheet and cash flow

The share placing in April 2019 raised USD32.3m net of costs of USD1.4m, of which USD30.4 million was applied to purchasing U_3O_8.

Yellow Cake's U_3O_8 investment increased by 21% to USD263.5 million at year-end compared to USD217.4 million at the end of the 2019 financial year. As at 31 March 2020, Yellow Cake had cash of USD6.5 million (2019: USD8.8 million).

Net Asset Value (NAV) and NAV per share



Yellow Cake's estimated net asset value at 31 March 2020 was GBP2.45 per share or USD267.1 million, consisting of 9,616,385 lbs of U_3O_8 valued at a spot price of USD27.40/lb, a uranium derivative liability of liability of USD2.6 million, cash and cash equivalents of USD6.5 million and other net liabilities of USD0.3 million.

Carole Whittall
Chief Financial Officer

Risk management

How we manage risk in our business

The Board determines the Company's business strategy and has overall responsibility for risk assessment. 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 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. These reviews are supplemented with feedback from the external auditor regarding issues identified during its engagement, particularly those relating to any control weaknesses, as well as 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 carried out by the Executive Directors for completeness and accuracy, carefully considers the Company's risk register at regular intervals and receives regular updates from management.

Short-term incentives for Executive Directors include a weighting for risk management to align employee rewards with shareholder returns.

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

1. Counterparty risk
2. Cash flow risk
3. Operating risk
4. COVID-19

Corporate Risks

5. Key personnel
6. Key service providers

Social, Safety and Environmental Risks

7. Regulatory regime
8. Political and country
9. Bribery and corruption
10. Environmental risk
11. ESG risk

Financial Risks

12. Uranium price risk
13. Foreign exchange risk
14. Taxation risk

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 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 risks reduce.	Medium
(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. Yellow Cake has sufficient working capital (excluding the proceeds from the post-year-end sale of uranium) for approximately 18 months before it would need to raise additional funds for working capital and has no debt or hedges on the balance sheet.	High

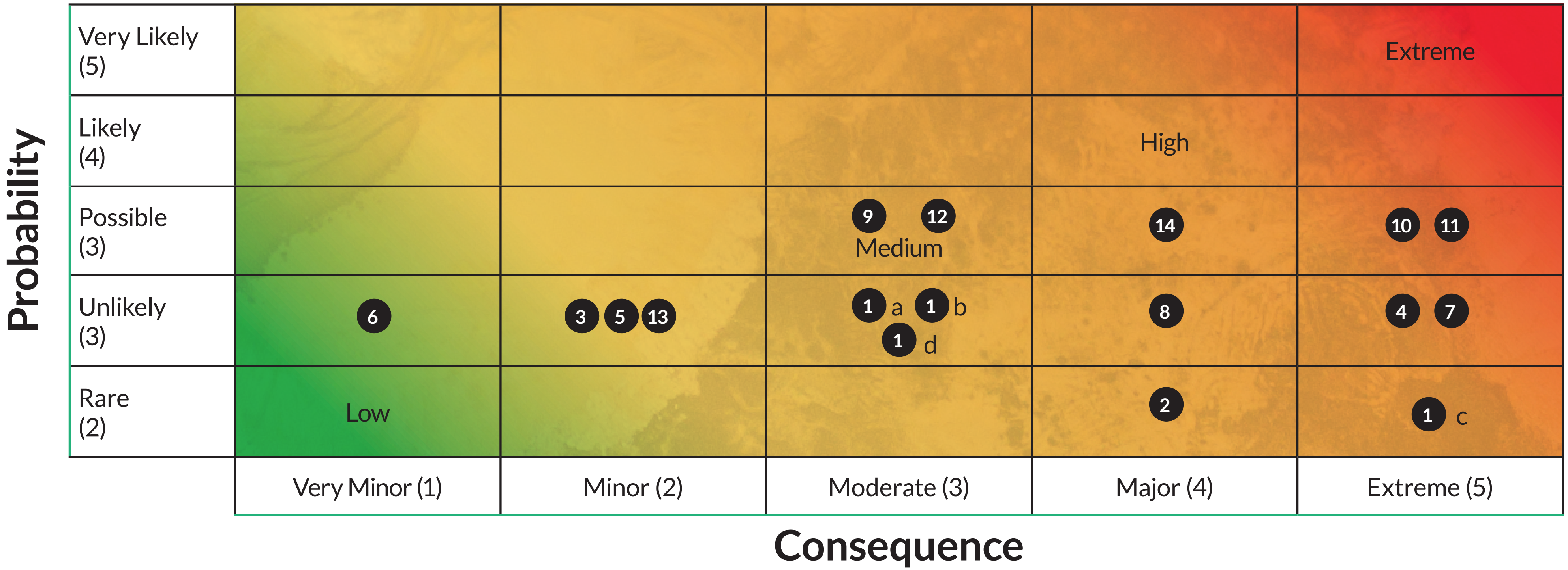
NATURE AND IMPACT OF RISK	HOW WE MANAGE THE RISK	Risk Level
CORPORATE RISKS		
5. Key personnel The Company is reliant on its Executive Directors, 308 Services Limited and other key personnel. Any change to the Company's management and service providers may have a negative impact on its business.	The Company believes that its executive team, as well as the Board of Directors and its advisers in 308 Services Limited 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 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
SOCIAL, SAFETY AND ENVIRONMENTAL 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.	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

Risk management continued

NATURE AND IMPACT OF RISK	HOW WE MANAGE THE RISK	Risk Level
8. Political and country The Company has a long-term contract with Kazatomprom, a company with operations located in Kazakhstan. Kazakhstan may be at risk of political and/or social instability.	The Company does not have any assets in Kazakhstan and any political event in Kazakhstan is only likely to impact the future of its uranium supply contract. As the Company's physical uranium is stored in Canada and France, and its operations are maintained in Jersey, there is little risk that its day to day operations would be impacted by any political and/or social instability in Kazakhstan.	Medium
9. Bribery and corruption 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.	The Company conducts due diligence on its suppliers from time-to-time to ascertain risk. Since the Company warehouses its inventory in Canada and France, and has a framework supply agreement with Kazatomprom, but does not have any operations in Kazakhstan, such risks are more likely to affect Yellow Cake indirectly and may be of a reputational nature.	Medium
10. Environmental 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
11. Environmental, social and governance (ESG) concerns The Company operates in the resources sector, which is under increasing scrutiny from investors and other stakeholders with regards to how it manages its ESG responsibilities. Poor ESG management could cause a significant withdrawal of capital from the resources sector 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 and has an insignificant ESG footprint. However, the Company is exposed to ESG issues via its suppliers and customers, particularly through its contract with Kazatomprom. There are limited steps that the Company can undertake to impact the activities of other companies. However, the Company will continue to only partner or contract with companies that have strong ESG credentials and will continue to monitor the performance of Kazatomprom in this regard with the assistance of third party advisors. The Company will also monitor the ESG performance of its storage providers, Cameco and Orano.	High

NATURE AND IMPACT OF RISK	HOW WE MANAGE THE RISK	Risk Level
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 under-priced, 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	Environmental risk
11	ESG risk
14	Taxation risk
4	COVID-19
7	Regulatory regime
1 c	Counterparty risk

Medium Risk	
9	Bribery and corruption
12	Uranium price risk
8	Political and country
1 a	Counterparty risk
1 b	Counterparty risk
1 d	Counterparty risk
2	Cash flow risk

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

Viability

COVID-19

While the COVID-19 pandemic is a developing situation and it is difficult to predict its ultimate impact on Yellow Cake, the Company's operations are not currently affected as it has no physical operations and the executive team is already home-based. Key service providers have implemented business continuity plans that, to date, have been effective in enabling them to continue to provide all key support services that were provided to the Company prior to the pandemic outbreak.

The Company's working capital is sufficient (excluding the proceeds from the post-year-end sale of uranium) to meet approximately 18 months of operating expenses before it would need to raise additional funds for working capital. These additional funds would be raised through the placing of shares, or, if this option is not available or cost effective, by way of debt or the realisation of a portion of inventory.

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 3% and reduce the Company's estimated working capital balance by less than a month. The Company has no debt or hedges on its balance sheet.

While global uranium supply has been significantly impacted, early indications are that the impact on global demand for nuclear energy is likely to be less material. Yellow Cake believes that it is well positioned to benefit from the supply side pressure that has manifested since March 2020 and the resulting uranium price increase. The spot price of uranium has increased significantly since the middle of March, reflecting this imbalance.

The short- to medium-term impact of the COVID-19 pandemic on society and the uranium value chain remains uncertain. Demand for U_3O_8 could be impacted if the pandemic subsequently affects logistics and transportation involved in the nuclear fuel cycle chain. An extended shutdown could affect the Company's business model and its ability to access capital.

Notwithstanding the extraordinary circumstances brought about by the COVID-19 pandemic, 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 2023. 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 ultimate success of Yellow Cake depends on its ability to continue to 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 22 to 28 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 2023.

Board of Directors

Non-Executive Directors

The Lord St John of Bletso

Independent Non-Executive Director and Chairman

Age: 62

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, BSocSc and BProc in South Africa.

Sofia Bianchi

Independent Non-Executive Director

Age: 63

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 in Business Administration (MBA) from the Wharton School.

The Hon Alexander Downer

Independent Non-Executive Director

Age: 68

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: 58

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.

Executive Directors

Alexandra Nethercott Parkes

Independent Non-Executive Director
Age: 37

Andre Liebenberg

Executive Director and Chief Executive Officer
Age: 58

Carole Whittall

Executive Director and Chief Financial Officer
Age: 48

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.

Note: James Keating was an Independent Non-Executive Director from the start of the financial year to his resignation effective 31 May 2019. Details about Mr Keating's qualifications and experience are available in the 2019 Yellow Cake Annual Report.

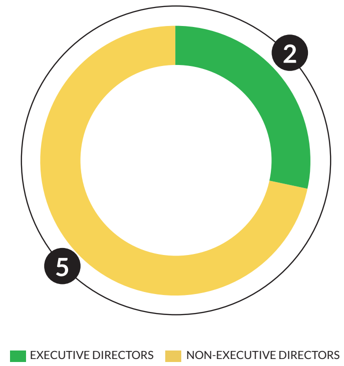
Andre Liebenberg is an experienced mining industry professional and has extensive investor marketing, finance, business development and leadership experience. He has spent over 25 years in private equity and investment banking, and held senior roles within BHP Billiton and most recently at QKR Corporation, 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 Danakali Limited and 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.

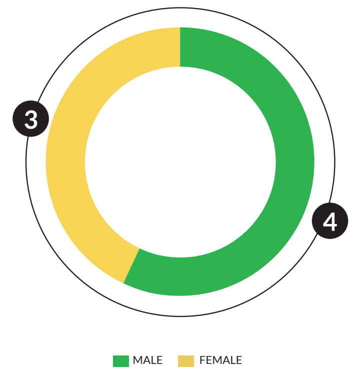
Carole Whittall is a director and co-founder of Mining Strategies Limited, which provides M&A and transaction advisory services to the metals and mining sector. She has 25 years' management, corporate finance and mergers and acquisitions experience in the metals and mining sector. Most recently, she 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

Yellow Cake is committed to ensuring high standards of corporate governance, with a focus on generating and protecting value for shareholders. As such, the Company has elected to comply with the principles and provisions of the UK Corporate Governance Code issued in July 2018 (the "Code") insofar as appropriate given the Company's size, business, stage of development and resources. During the 2020 financial year, the Company reviewed and updated its governance policies and terms of reference to align with the requirements of the revised Code, which applied to the Company from the beginning of the 2020 financial year.

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

The Company will seek to ensure that, as the Company's business continues to evolve, 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 2018 Code during the year to 31 March 2020.

References to how the Company has applied the principles contained in the Code as well as any areas of non-compliance are shown in the table that follows. Areas of non-compliance 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*
See the section entitled "Governance structure" on pages 34 to 39, which contains information on the members, structure and activities of the Board.	**Provision 5 –** Yellow Cake's workforce is currently limited to its two Executive Directors and, as such, it is not considered appropriate to have any formal mechanism in place for engagement with the Company's workforce. Yellow Cake's Remuneration Committee has been mandated to monitor the size and nature of the Company's workforce in order to determine, amongst 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. Should the size of Yellow Cake's workforce increase significantly in the future, Yellow Cake would favour mandating one of its Non-Executive Directors with responsibility for representing the interests of the workforce (alongside his or her other duties).

Part 2: Division of responsibilities	
References	*Areas of non-compliance*
See the section entitled "Division of responsibilities" on page 37, which contains information on the division of responsibilities among the Board.	**Provision 12 –** Given the scale and complexity of the Company's activities, the Board does not consider it necessary or desirable to appoint a Senior Independent Director at this stage. Accordingly, 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 –** The Chairman will hold meetings with the Non-Executive Directors without the Executive Directors present as and when appropriate and required. Given the scale and complexity of the Company's activities, it is not currently anticipated that such meetings will take place on a regular basis. **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	***Areas of non-compliance***
The Board's composition, succession and evaluation are discussed in the "Governance structure" section on pages 34 and 35 as well as in the discussion of the Nomination Committee on page 39.	**Provision 21** – The Directors are currently completing evaluation questionnaires to appraise the performance of the Board as a whole. Feedback from the results will be implemented, where relevant. This appraisal process will be conducted annually in future. 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. 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 will review its effectiveness annually.
Part 4: Audit, risk and internal control	
References	***Areas of non-compliance***
The role of the Board in this area is primarily shown in the Report of the Audit Committee on page 40, 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 29.	**Provision 25** – Given the scale and complexity of the Company's activities, the Company does not currently have an internal audit function. 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	***Areas of non-compliance***
The Company's remuneration policy and the Report of the Remuneration Committee are found on pages 42 to 49.	**Provision 33 –** Yellow Cake's workforce is currently limited to its two Executive Directors and, as such, it is not necessary for the Remuneration Committee to separately review workforce remuneration and related policies and the alignment of incentives and rewards with culture. 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.

The Board delegates certain authorities to the Board Committees and to the CEO and CFO, who are responsible for the day-to-day management of the business.

Certain decisions are reserved for the Board to ensure it retains proper direction and control of the Company, and monitors delivery against the Company's strategy. These include:

- The 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).

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*
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*

Further detail on the Board members and their skills and experience can be found on pages 30 and 31.

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 2020, the Board met 10 times.

Meeting attendance	Date of appointment	Board	Audit Committee	Remuneration Committee	Nomination Committee	Attendance percentage
Number of meetings		**10**	**2**	**3**	**2**	
The Lord St John of Bletso† (Chairman)	1 June 2018	10/10	N/A	3/3	2/2	100%
Sofia Bianchi†	1 June 2018	9/10	2/2	2/3	2/2	88%
The Hon Alexander Downer†	1 June 2018	9/10	2/2	3/3	1/2	88%
Alan Rule†	1 June 2018	10/10	2/2	3/3	2/2	100%
James Keating†1	18 January 2018	3/4	N/A	0/1	N/A	67%
Alexandra Nethercott-Parkes†2	18 July 2019	5/5	1/1	2/2	N/A	100%
Andre Liebenberg‡ (CEO)	1 June 2018	10/10	N/A	N/A	N/A	100%
Carole Whittall‡ (CFO)	1 June 2018	10/10	N/A	N/A	N/A	100%
Attendance percentage		96%	100%	87%	89%	94%

† *Independent Non-Executive Director.*
‡ *Executive Director.*
N/A *Not applicable as not a member of the committee.*
1 *James Keating resigned as a Director of the Company on 31 May 2019.*
2 *Alexandra Nethercott-Parkes was appointed to the Board on 18 July 2019 and to the Audit, Remuneration and Nomination Committees on 11 December 2019.*

At such meetings, 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.

Board focus areas in 2019/2020

The primary focus of Board deliberations during the 2020 financial year included:

- Review and approval of the 2019 financial statements and the decision to not declare a dividend for the year;
- Review and approval of the changes to the Company's various governance policies and terms of reference to align with the requirements of the revised Code;
- Review and approval of the decision to place 12 million shares to acquire 1.175 million lb of U_3O_8 in May 2019;
- Approval of the nomination of Alexandra Nethercott-Parkes to the Board;
- Review and approval of a share buyback programme that commenced in January 2020; and
- Review and approval of the executive share incentive scheme.

Board appointments and succession planning

Appointments to the Board and succession planning for both the Board and senior management are overseen by the Nomination Committee and are based on merit and objective criteria. Appointments and succession planning include an assessment of the balance of skills, knowledge, experience and diversity of the Board. 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.

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

Directors' development

The Board has adopted a comprehensive set of policies and manuals on regulatory and compliance matters. 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. Upon appointment, Directors undergo a formal induction process. All Directors have access to the Company Secretary (whose appointment and removal is a matter for the Board as a whole) 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.

Towards the end of the financial year, the Directors commenced an evaluation process to appraise the performance of the Board. The evaluation questionnaire covers areas including the Board's role and responsibilities, the appointment process, Board effectiveness, Board meetings, the Board Chairman and the Company's ethics. This assessment will be conducted annually and 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 set out in its Code of Conduct (available at 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. As Yellow Cake's business evolves, the Board is mindful of the need to ensure that its values and culture are maintained. The Board 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 restrict the ability of the Directors to vote on certain contracts and arrangements in which they are interested and contain certain other provisions governing conflicts of interest. 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

A share-dealing code is in place for Directors and employees that 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 lays out 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.

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

Corporate governance report continued

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.

Anti-money laundering, anti-bribery and corruption policy

Yellow Cake 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. The Company is committed to acting professionally, fairly and with integrity in all business dealings and relationships.

Diversity and inclusion

Yellow Cake values diversity and inclusion. The Company is committed to promoting equal opportunities in employment and complies with all relevant anti-discrimination laws. Employees and job applicants receive equal treatment 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 discrimination.

Yellow Cake has adopted an equal opportunities policy to be complied with in 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

The Board has established a system of prudent and effective controls to enable risk to be assessed and managed and has implemented appropriate procedures for whistleblowing and the management of 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 22 to 28.

Shareholders and other 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.

The Board seeks to ensure effective engagement with its stakeholders and values its dialogue with them. 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).

The Company proactively facilitates opportunities for engagement with its stakeholders, particularly with shareholders, investors and analysts, by participating in investor roadshows and conferences, and at presentations, the Annual General Meeting and industry updates.
In particular, the Board considers the following:

- the likely consequences of any decision in the long term. As set out in the Viability Statement on page 29, 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. Our commitment to employing a diverse and balanced team enables us to build 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 as well as formalised in our policies and procedures. Our recruitment policy is to appoint individuals based solely on their skills, experience and suitability to the role.

- the need to foster the Company's business relationships with suppliers, customers and others. Long-term strategic thinking, and fostering 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. Further information can be found on page 14.
- the impact of the Company's operations on the community 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 size and nature of the Company's activities, its direct social and environmental impact is minimal. However, the Board also 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 15 to 17.
- the importance of the Company maintaining a reputation for high standards of business conduct. Yellow Cake is a Jersey-incorporated, Jersey tax domiciled Company which is listed 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' ambition is to behave responsibly toward our shareholders and treat 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.

Day-to-day queries raised by stakeholders are addressed by either the CEO or the CFO. This year, as shareholders will not be able to attend the Annual General Meeting because of the COVID-19 pandemic, shareholders will instead be given the opportunity to submit written questions to the Company. 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 2019 Annual General Meeting held on 17 July 2019, all resolutions were passed with more than 90% shareholder approval.

Annual General Meeting

Yellow Cake's 2020 Annual General Meeting (AGM) will be held at 10:00 a.m. on 2 September 2020 at the Company's offices at 3rd Floor Liberation House, Castle Street, St Helier, Jersey, JE1 2LH. Due to COVID-19, the AGM will be closed to participation. The notice of the AGM is 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 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 was approved by the Board.

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

Corporate governance report continued

The CEO is responsible for setting corporate strategy and the direction of the Company, in conjunction with the Board. He is responsible for 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.

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.

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*
Alexandra Nethercott-Parkes	*Independent Non-Executive Director*

The Audit Committee comprises the Independent Non-Executive Directors (not including the Board Chairman). The committee 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 Audit Committee is also mandated to keep under review the Company's internal control and risk management systems and to report to the Board.

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. Attendance at the committee's meetings is shown on page 34.

More information on the roles and responsibilities of the Audit Committee and its activities during the year to 31 March 2020 is available in the Report of the Audit Committee on pages 40 and 41.

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*
Alexandra Nethercott-Parkes	*Independent Non-Executive Director*
Alan Rule	*Independent Non-Executive Director*

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.

The Remuneration Committee has responsibility for, among other things, setting the remuneration policy for Executive Directors and for determining the total individual remuneration package of the Chairman, Executive Directors and senior management. 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 met twice during the year under review and attendance at these meetings is shown on page 34.

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 pages 42 and 43.

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*
Alexandra Nethercott-Parkes	*Independent Non-Executive Director*
Alan Rule	*Independent Non-Executive Director*

The Nomination Committee comprises the Independent Non-Executive Directors. It 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. Under the terms of reference of the Nomination Committee, its chair will not chair the committee when dealing with the appointment of his successor. The Nomination Committee meets at least twice each year.

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.

It is intended that open advertising or 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 in order to ensure, for example, that an incoming appointee has at least the equivalent skill set of an outgoing appointee.

The Nomination Committee met twice during the year under review and attendance at these meeting is shown on page 34.

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
  - 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 2019/2020

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 revised Code for the financial year commencing 1 April 2019;
- reviewing candidates for appointment to the Board following the resignation of James Keating and recommending Alexandra Nethercott-Parkes to the Board for appointment; and
- reviewing the amendments to the committee's terms of reference in order to align with the provisions of the revised Code.

The Nomination Committee recommended to the Board that each of the Directors be submitted for re-election at the Annual General Meeting on 2 September 2020.

Report of the Audit Committee

The Audit Committee was constituted at a full meeting of the Board on 8 June 2018 with effect from admission to trading on AIM on 5 July 2018.

The Audit Committee comprises four Independent Non-Executive Directors, all of whom 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. 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 Audit Committee meets at least twice a year and details of the committee members and their record of attendance at meetings during the year are available on page 34. 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 Audit 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 in order to carry out its duties, including access to the Company Secretary for assistance as required.

Responsibilities of the Audit Committee

The full terms of reference for the committee 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 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; 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 page 66.

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.

Internal audit

The Audit Committee considers annually 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, at present, it is 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, in accordance with its terms of reference during the year to 31 March 2020, 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 2020 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 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. Given that the year under review is the Company's second financial year, there are no current plans to put the appointment of its auditor through a formal tender process.

Non-audit services

The supply of non-audit services by the external auditor is governed by a formal policy to safeguard independence and objectivity. The policy sets out the recommended maximum fees that should be payable for non-audit services as a percentage of the audit fee and contains guidelines as to the circumstances where a proposed engagement should be subject to a tender process.

In the current year, fees for non-audit services paid to the RSM group totalled USD5,581 for tax advisory services, which represents 8% of the total audit fee paid.

Whistleblowing

Yellow Cake's whistleblowing policy aims to provide staff with a channel through which they are able to raise concerns about malpractice or impropriety without fear of reprisals. The policy encourages all staff to maintain high standards in their work and to report any wrongdoing which falls short of these standards and commits the Company to treat all such disclosures in a confidential and sensitive manner. The Audit Committee receives reports regarding any significant allegations made, details of investigations and the outcomes. There were no whistleblowing reports received during the year.

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 51 of this report.

The Audit Committee's review of the system of internal controls is supplemented by reports from the external auditor regarding issues identified during its engagement, particularly those relating to control weaknesses, and the responses from management.

2019/2020 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

7 July 2020

Directors' remuneration report

Dear Shareholder,

I am pleased to present the Company's Directors' Remuneration Report for the year ended 31 March 2020.

Yellow Cake plc has only two employees; its CEO and CFO. The management culture is to focus on successful outcomes. The Company's business strategy is to achieve successful outcomes by investing in long-term holdings of U_3O_8.

The remuneration policy described on pages 44 and 49 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.

The committee's policy is to openly engage with shareholders on Directors' remuneration.

We will continue to consult with our principal shareholders on future material changes to our remuneration policy.

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 and to retain cash.

The policy comprises a base salary component, an annual bonus to reward achievement of key performance indicators in the form of nil-cost or nominal-cost share options and a long-term incentive in the form of market-priced share options. The short- and long-term incentives have been designed to reward growth and take account of risks through equity participation, and to align employee rewards with shareholder returns.

The year under review is the first 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. The annual bonuses are based on the executive performance measured against a scorecard of performance targets, a summary of which was included in the 2019 annual report.

The Remuneration Committee assessed the performance outcome of the Executive Management at 70% against these scorecard measures. In light of the current economic circumstances brought about by the COVID-19 pandemic, the Remuneration Committee took the decision to only award half of the bonus options after the release of the Company's 2020 financial results and to defer the balance of the award until after the Company's annual general meeting and having regard to the COVID-19 situation.

The annual bonus and long-term incentive awards are shown in the tables on pages 73 to 75.

The Remuneration Committee reviewed the base salary of the Executive Directors and proposed no increase for the financial year ending 31 March 2021.

Alexander Downer
Remuneration Committee Chair

7 July 2020

Responsibilities of the Remuneration Committee

The responsibilities of the Remuneration Committee include 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 Remuneration Committee was constituted at a full meeting of the Board on 8 June 2018 with effect from admission to trading on AIM on 5 July 2018. The committee comprises five Independent Non-Executive Directors. The committee meets at least twice a year. Details of the committee members and their record of attendance at meetings during the year are available on page 34.

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

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, each Executive Director, the Company Secretary and other senior executives;
- monitoring the size and nature of the Company's workforce in order to determine the appropriate levels of engagement required by the Company with its workforce, and whether the role of the Remuneration Committee should be expanded to include consideration of additional workforce-related matters, including those specified in the Code; and
- reviewing the operation of share option schemes and the granting of such options.

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

The CEO's and CFO's remuneration were reviewed and benchmarked by external remuneration consultants, MM&K, as part of the overall review of the Company's remuneration practices in the 2019 financial year. It was not considered necessary to repeat the benchmarking exercise in the current year.

Activities during 2019/2020

During the year to 31 March 2020, the Remuneration Committee discharged its duties by:

- reviewing and approving the Executive Directors' annual bonus performance scorecard for the 2020 financial year;
- engaging with our principal shareholders regarding the short-term and long-term incentive plan for the Executive Directors;
- implementing an executive incentive plan;
- reviewing the Company's remuneration policy and its effective implementation during the year;
- reviewing the amendments to the committee's terms of reference in order to align with the provisions of the revised Code; and
- reviewing relevant provisions of the Code.

2020/2021 focus areas

The main objectives for the Remuneration Committee in the financial year ended 31 March 2021 will be to:

- Review and approve the Executive Director annual bonus performance scorecard for the 2021 financial year; and
- Maintain an ongoing review of remuneration levels and structures for Executive Directors and the Chairman.

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 2020.

Remuneration Committee membership during the year

The members of the Remuneration Committee, their dates of appointment and the number of meetings attended during the year are shown on page 34.

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.

Under its terms of reference, the Remuneration Committee is required to ensure that the Company's remuneration schemes and practices allow the Remuneration Committee discretion to override formulaic outcomes. When reviewing the Company's remuneration schemes and practices, the Remuneration Committee is required to consider, *inter alia*, 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	Essential to attract and retain key executives. 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 will not be entitled to any non-cash benefits.		
Pension	Directors will not be entitled to any company pension contributions.		
Annual Bonus	Rewards achievement of annual key performance indicators. Initially, bonus awards will be made wholly in the form of nil-cost or nominal-cost share options. Bonus awards are determined after the relevant year-end based on the committee's assessment of achievement against targets.	Up to 100% of salary for exceptional performance; targets and weightings are set annually by the committee and performance is measured over a single financial year.	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.
Long-Term Incentive	Aligns the interests of management and shareholders and encourages retention. Long-term incentives may be granted annually and will take the form of market-priced share options.	Up to 125% of salary.	Malus and clawback provisions. The Remuneration Committee retains the discretion to impose performance conditions on the vesting of incentive awards, should it wish to do so.

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 and the rules of any incentive plan in which the individual is a participant.

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 month's written notice from either the individual or the Company.

Implementation of the remuneration policy in 2019/2020

The base salaries for the current year and proposed salary for the financial year ending 31 March 2021 are shown in the table below. Given the current socioeconomic environment, no increases in base salaries are proposed in the financial year ending 31 March 2021.

	2020 Base salary USD'000	Proposed 2021 Base salary USD'000
Chief Executive Officer	215	215
Chief Financial Officer	172	172

Annual bonus

The annual bonus awarded for the financial year ending on 31 March 2020 is based on commercial targets and may be up to 100% of base salary, subject to performance, as determined by the Board. The bonus awards are in the form of nil-cost or nominal cost options, which will vest and become exercisable not earlier than one year after grant. 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 performance scorecard for the evaluation of the executive team during the 2020 financial year is summarised as follows:

- 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; and
  - reporting and budgeting.
- 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.

Annual report on Directors' remuneration continued

Based on the performance scorecard for the 2020 financial year, the Remuneration Committee resolved at its discretion to make the following annual bonus awards in the form of nil-cost share options. The following options will be granted on 8 July 2020.

	Face value of first tranche of 2020 annual bonus award USD'000	Face value of award as a % of base salary	Vesting date
Chief Executive Officer	75	35%	8 July 2021
Chief Financial Officer	60	35%	8 July 2021

The grant of the following options will be deferred until after the Company's annual general meeting and having regard to the COVID-19 situation.

	Face value of second tranche of 2020 annual bonus award (contingent) USD'000	Face value of award as a % of base salary	Vesting date
Chief Executive Officer	75	35%	8 July 2021
Chief Financial Officer	60	35%	8 July 2021

The number of annual bonus options to be granted will be equal to the face value in the table at the award date, divided by the average of the mid-market closing price (converted to its USD value) of the ordinary shares of the Company on AIM over the five consecutive dealing days immediately preceding the grant date.

The Remuneration Committee reviewed the annual bonus performance scorecard and, for the 2021 financial year, added additional measures regarding management of the discount to net asset value and ESG. The annual bonus calculation for the 2021 financial year will accordingly assess:

- 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.

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 and the option exercise price is the market value 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 permission may be granted to sell shares in order to meet tax liabilities). The face value 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 committee believes that market-priced options align the interests of management and shareholders, and represent an appropriate form of long-term incentive and retention for the Executive Directors at this stage in the Company's development. No conditions, other than continued employment by the Company, are currently placed on the exercise of options, although the Remuneration Committee retains the discretion to impose performance conditions on the vesting of incentive awards, should it wish to do so.

The following long-term incentives were awarded on 24 February 2020 in relation to the 2020 financial year. Refer to Note 10 to the Financial Statements for more details:

	Face value of 2020 long-term incentive award USD	Face value of award as a % of base salary	Share options awarded	Value at award date USD	Vesting date
Chief Executive Officer	**215,000**	100%	84,480	31,748	24 February 2023
Chief Financial Officer	**172,000**	100%	67,584	25,399	24 February 2023
Total	**387,000**		**152,064**	**57,147**	

The intention to make the above awards was disclosed in the Company's 2019 annual report. During the year under review, the Company was in an extended closed period due to inside information relating to the sale of material blocks of shares by some of the Company's significant shareholders and the decision to implement a share buyback programme. These awards were subsequently granted on 24 February 2020 and not at the beginning of the 2020 financial year, as would be usual practice.

The Remuneration Committee resolved to award the following long-term incentive in relation to the 2021 financial year.

	Face value of 2021 long-term incentive award USD'000	Face value of award as a % of base salary	Vesting date
Chief Executive Officer	**215**	100%	8 July 2023
Chief Financial Officer	**172**	100%	8 July 2023

The number of long-term incentive options to be granted will be equal to the above face value at the award date, divided by the average of the mid-market closing price (converted to its USD value) of the ordinary shares of the Company on AIM over the five consecutive dealing days immediately preceding the grant date.

Annual report on Directors' remuneration continued

Directors' total combined remuneration for the year ended 31 March 2020

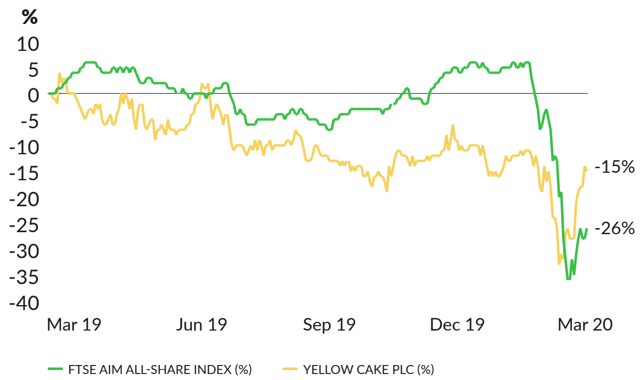
	Salaries and Fees USD'000	(A) Annual Bonus USD'000	(B) LTIP USD'000	(A)+(B) Total Variable Pay USD'000	Total USD'000
Executive Directors					
Andre Liebenberg	215	-	1	1	216
Carole Whittall	172	-	1	1	173
Non-Executive Directors					
The Lord St John of Bletso	50	-	-	-	50
Sofia Bianchi	40	-	-	-	40
Alexander 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**

Note 1: Mr Keating's and Ms Nethercott-Parkes' services are 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 is GBP127,804 (USD164,149) (2019: GBP101,900 (USD132,776)).
** James Keating resigned as a Director of the Company on 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 2020 is shown in the graph below:



Statement of Directors' share interests

The number of shares held by each Director in the Company as at 31 March 2020 is shown in the table below. There is no shareholding requirement for Directors.

	Number of ordinary shares	% of share capital (excluding treasury shares)	Share options
The Lord St John of Bletso*	26,302	0.03%	N/A
Sofia Bianchi	13,186	0.01%	N/A
The Hon Alexander Downer	29,925	0.03%	N/A
Alan Rule	18,837	0.02%	N/A
Alexandra Nethercott-Parkes	–	–	N/A
Andre Liebenberg	73,207	0.08%	84,480
Carole Whittall	11,302	0.01%	67,584

* *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

7 July 2020

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 2020. The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Principal activities

The Company was incorporated in Jersey, Channel Islands on 18 January 2018. Yellow Cake 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 59 to 78.

Business review and future developments

The Strategic Report on pages 4 to 29 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
- James Keating[1]
- Alan Rule
- Alexandra Nethercott-Parkes[2]
- Andre Liebenberg
- Carole Whittall

1 *Mr Keating resigned as a Director with effect 31 May 2019*
2 *Ms Nethercott-Parkes was appointed to the Board effective 18 July 2019*

Directors' interests

The Audit and Remuneration Committee reports are available on pages 40 and 42 respectively.

Details of the Directors' interests in the Company's shares can be found in the remuneration report on page 49.

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 20 April 2020 the Company transferred 100,000 lb of its 9,616,385 lb inventory from Cameco's Port Hope/Blind River facility in Canada to Orano Cycle's storage facility at Malvési/Tricastin in France, pursuant to a location swap agreement. This transaction did not involve the physical transportation of uranium and was effected by book transfer.

On 30 June 2020 the Company announced that it had concluded an agreement to sell 300,000lb of U_3O_8 to finance an enlarged share buyback programme. The disposal generated proceeds of USD9.9 million after costs and commission.

Financial risk management

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

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 2020 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 2021 financial year.

Corporate governance

The corporate governance report on pages 32 to 39 forms part of this Directors' report.

Going concern

COVID-19

The COVID-19 pandemic is a developing situation. The assessment of this situation will need continued attention and will evolve over time. The rapid development and fluidity of the COVID-19 virus means that it is difficult to predict the ultimate impact on the Company at this stage. In line with most experts, the Directors are of the view that the virus outbreak will have a material impact on the world economy.

The Company's operations are currently unaffected by COVID-19, given that it has no physical operations and the executive team is already home-based. Yellow Cake's key service providers have put in place effective business continuity plans to date 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.

Should the Company decide to acquire additional uranium from Kazatomprom under its Framework Agreement, the Company expects to be able to lock in price and volumes in the normal course under the terms of the Agreement with a delivery schedule to be agreed between the Company and Kazatomprom.

Yellow Cake has sufficient working capital (excluding the proceeds from the post-year-end sale of uranium) to meet approximately 18 months of operating expenses before it would need to raise additional funds for working capital. COVID-19 may impact the Company's ability to raise capital through the placing of shares or access to debt. The Company has no debt or hedges on its balance sheet. In the absence of other sources of capital, the Company can reasonably be expected to be able to realise a portion of its inventory if necessary.

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

Directors' report continued

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

On 22 January 2020, the Company initiated a share buyback programme to purchase up to US$2 million of the Company's Ordinary Shares over a three-month period. On 30 April 2020, the duration of the buyback programme was extended to the earlier of 21 July 2020 or the date on which US$2 million had been incurred in aggregate in the purchase of the Company's shares. As at 31 March 2020, the Company held 309,788 shares in treasury. On 30 June 2020 the Company announced that it had concluded an agreement to sell 300,000lb of U_3O_8, generating net processed of USD9.9 million. These proceeds will be used to finance an enlarged share buyback programme to purchase up to USD10 million of the Company's outstanding ordinary shares. As at 6 July 2020, the Company held 621,806 shares in treasury.

Substantial shareholdings

As at 18 June 2020, being the latest practicable date prior to the publication of this report, the Company has been advised of the following interests in more than 3% of its ordinary share capital:

Shareholder	Number of shares	Shareholding[1]
Uranium Royalty Corporation	7,600,000	8.67%
Kopernik Global Investors	6,886,667	7.86%
Putnam Investments	6,679,265	7.62%
Tribeca Investment Partners	4,555,990	5.20%
Brandes Investment Partners	4,474,912	5.11%
azValor Asset Management	4,101,920	4.68%
Hargreaves Lansdown, stockbrokers (EO)	3,851,298	4.40%
Interactive Brokers (EO)	3,699,349	4.22%
Extract Advisors	3,362,191	3.84%
Armor Advisors	3,077,055	3.51%
Legal & General Investment Management	2,996,500	3.42%
Dolfin Financial (UK)	2,836,540	3.24%
Russell Investments	2,825,975	3.22%
Amitell Capital	2,815,513	3.21%

Note 1: Calculated based on the number of shares in issue less shares held in treasury

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 Financial Reporting Standards (IFRS) as adopted by the European Union. 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.

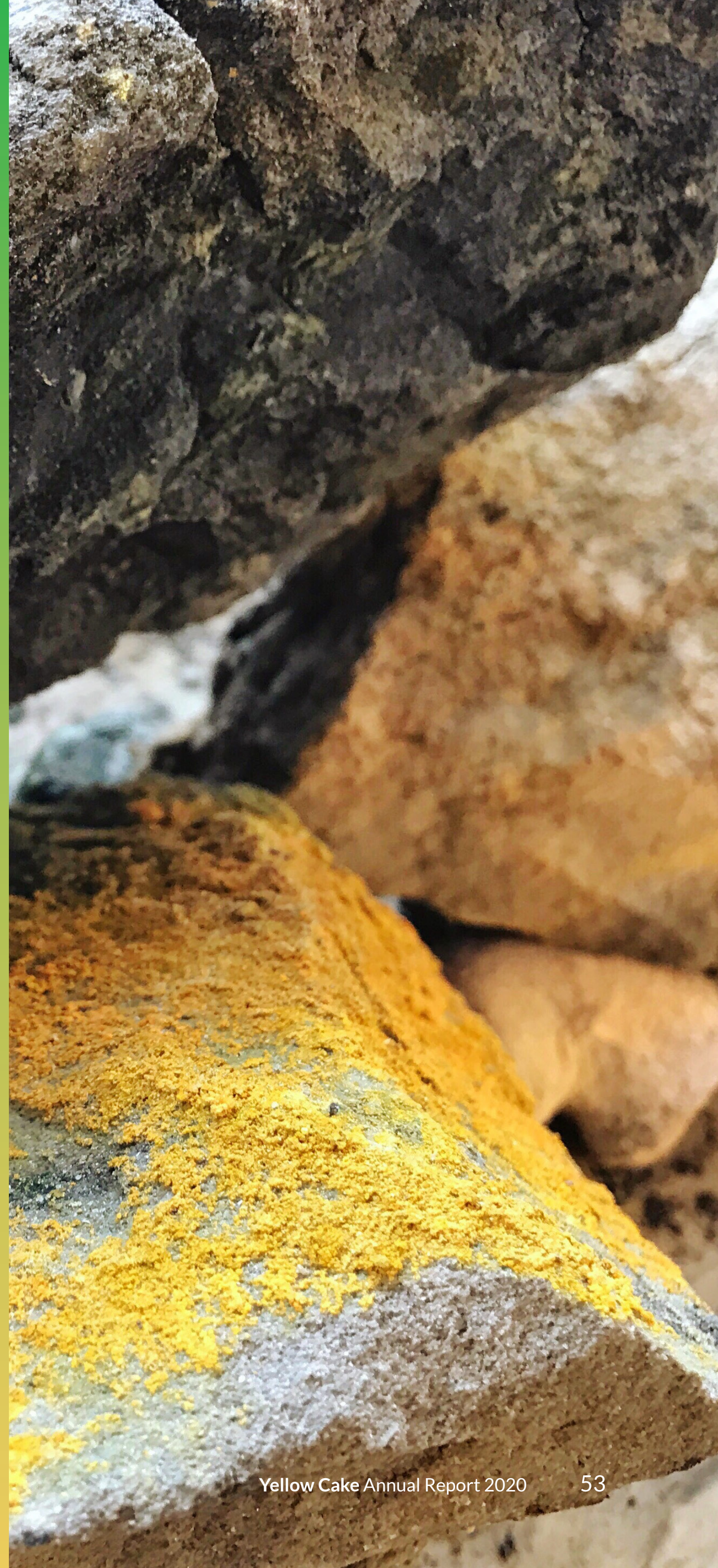
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Information published on the website is accessible in many countries, and legislation in Jersey and the relevant provisions of the AIM Rules for Companies governing 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

7 July 2020



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 2020 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly 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 principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which, as a result of the Directors voluntarily reporting on how they have applied the UK Corporate Governance Code, ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on pages 22 to 28 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation set out on page 22 in the annual report that they have 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;
- the Directors' statement set out on pages 63 and 64 in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the Company's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements;
- whether the Directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the Directors' explanation set out on page 29 in the annual report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Summary of our audit approach

Key audit matters	• Investment in uranium
Materiality	• Overall materiality: $4,160,000 (2019: $3,610,000) • Performance materiality: $3,120,000 (2019: $2,710,000)
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 judgment, 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 a material investment 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 2020; • corroboration of the price used to value the investment at 31 March 2020 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	$4,160,000 (2019: $3,610,000)
Basis for determining overall materiality	1.54% of total assets
Rationale for benchmark applied	The company's business model is for long term appreciation of the investment in uranium, which represents the majority of total assets. Total assets is therefore considered to be an appropriate benchmark.
Performance materiality	$3,120,000 (2019: $2,710,000)
Basis for determining performance materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of $208,000 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.

Independent auditor's report
to the members of Yellow Cake plc continued

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

In this context, as a result of the Directors voluntarily reporting on how they have applied the UK Corporate Governance Code, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable set out on page 53 – if the statement given by the Directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit Committee reporting set out on pages 40 and 41 – if the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee;
- Directors' statement of compliance with the UK Corporate Governance Code set out on pages 32 and 33 – if the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Matters on which we are required to report by exception

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 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 53, 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.

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 financial statements. We are responsible for the direction, supervision and performance of the Company 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 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.

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

7 July 2020

Uranium

It's the heaviest naturally occurring element in the universe.

With a nucleus packed with 92 protons, uranium is the heaviest of the elements. That weight once compelled shipbuilders to use spent uranium as ballast in ship keels. Were it employed that way now, sailing into port could set off defence systems.

Financial statements

Statement of Financial Position

	Notes	As at 31 March 2020 USD'000	As at 31 March 2019 USD'000
ASSETS			
Non-current assets			
Investment in uranium	4	263,489	217,366
Total non-current assets		**263,489**	**217,366**
Current assets			
Trade and other receivables	5	89	16
Cash and cash equivalents	6	6,481	8,750
Total current assets		**6,570**	**8,766**
Total assets		**270,059**	**226,132**
LIABILITIES			
Non-current liabilities			
Uranium derivative liability	7	(2,587)	(2,799)
Total non-current liabilities		**(2,587)**	**(2,799)**
Current liabilities			
Trade and other payables	8	(392)	(384)
Total current liabilities		**(392)**	**(384)**
Total liabilities		**(2,979)**	**(3,183)**
NET ASSETS		**267,080**	**222,949**
Equity			
Attributable to the equity owners of the company			
Share capital	9	1,164	1,007
Share premium	9	224,437	192,248
Share-based payment reserve	10	2	–
Treasury shares	11	(726)	–
Retained earnings		42,203	29,694
TOTAL EQUITY		**267,080**	**222,949**

The financial statements of Yellow Cake plc and the related notes were approved by the Directors on 7 July 2020 and are signed on its behalf by:

Andre Liebenberg
Chief Executive Officer

Statement of Comprehensive Income

	Notes	1 April 2019 to 31 March 2020 USD'000	Restated* 18 January 2018 to 31 March 2019 USD'000
Uranium-related profit			
Fair value movement of investment in uranium	4	15,714	39,211
Fair value movement of uranium derivative liability	7	212	(2,799)
Total uranium-related profit		**15,926**	**36,412**
Expenses			
Share-based payments	10	(2)	–
Equity offering expenses		(547)	(2,589)
Commission on purchase of uranium	12	(152)	(1,782)
Procurement and market consultancy fees	12	(1,017)	(709)
Other operating expenses	13	(1,756)	(1,018)
Total expenses		**(3,474)**	**(6,097)**
Bank interest income		104	27
Loss on foreign exchange		(47)	(648)
Profit before tax attributable to the equity owners of the Company		**12,509**	**29,694**
Tax expense	14	–	–
Total comprehensive income for the period after tax attributable to the equity owners of the Company		**12,509**	**29,694**
Earnings per share attributable to the equity owners of the Company (USD):			
Basic and diluted (comparative period ended 31 March 2019 refers to the period since IPO)	16	0.14	0.39
Basic and diluted (comparative period ended 31 March 2019 refers to the period since incorporation)	16	0.14	0.63

* *Certain prior period comparatives have been reclassified for consistency with the current period presentation. "Commission on purchase of uranium" and "Procurement and market consultancy fees" have been presented separately, having previously been disclosed as a single line item called "Procurement and market consultancy fees". These reclassifications had no effect on the net result, Statement of Financial Position or Statement of Cash Flows for either period.*

Statement of Changes 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 18 January 2018		**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income after tax for the period		–	–	–	–	29,694	**29,694**
Transactions with owners:							
Shares issued	9	1,007	200,449	–	–	–	**201,456**
Share issue costs	9	–	(8,201)	–	–	–	**(8,201)**
As at 31 March 2019		**1,007**	**192,248**	**–**	**–**	**29,694**	**222,949**
Total comprehensive income 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)**
Balance as at 31 March 2020		**1,164**	**224,437**	**2**	**(726)**	**42,203**	**267,080**

Statement of Cash Flows

	Notes	1 April 2019 to 31 March 2020 USD'000	18 January 2018 to 31 March 2019 USD'000
Cash flows from operating activities			
Profit after tax		12,509	29,694
Adjustments for:			
Change in fair value of investment in uranium	4	(15,714)	(39,211)
Change in fair value of uranium derivative liability	7	(212)	2,799
Change in fair value movement of incentive options	10	2	–
Foreign exchange losses		47	403
Interest income		(104)	(27)
Operating profit before changes in capital		**(3,472)**	**(6,342)**
Changes in working capital:			
Increase in trade and other receivables		(73)	(253)
Increase in trade and other payables		14	389
Cash used in operating activities		**(3,531)**	**(6,206)**
Interest received		104	27
Net cash flow used in operating activities		**(3,427)**	**(6,179)**
Cash flows from investing activities			
Acquisition of uranium	4	(30,409)	(178,155)
Net cash used in investing activities		**(30,409)**	**(178,155)**
Cash flows from financing activities			
Proceeds from issue of shares	9	33,765	201,457
Issue costs paid	9	(1,419)	(8,373)
Share buyback programme	11	(726)	–
Net cash generated from financing activities		**31,620**	**193,084**
Net (decrease)/increase in cash and cash equivalents during the year/period		(2,216)	8,750
Cash and cash equivalents at the beginning of the year/period		8,750	–
Effect of exchange rate changes		(53)	–
Cash and cash equivalents at the end of the year/period		**6,481**	**8,750**

Notes to the Financial Statements

For the year ended 31 March 2020

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, raising approximately GBP151 million (c. USD200 million) before expenses through an oversubscribed placing and subscription of 76,166,630 ordinary shares.

On 12 April 2019, the Company placed 12,000,000 new ordinary shares with existing and new institutional investors and certain of the Company's directors subscribed for 39,086 new ordinary shares, raising approximately GBP25.9 million before expenses (c. USD33.8 million).

2. Summary of significant accounting policies

Basis of preparation

The financial information has been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and interpretations (collectively, 'IFRS') as adopted by the European Union ('IFRS as adopted by the EU').

In accordance with Section 105 of The Companies (Jersey) Law 1991, the Company confirms that the financial information for the period ended 31 March 2020 is derived from the Company's audited financial statements and that these are not statutory accounts and, as such, do not contain all information required to be disclosed in the financial statements prepared in accordance with International Financial Reporting Standards ("IFRS").

The statutory accounts for the period ended 31 March 2020 have been audited and approved, but have not yet been filed.

The Company's audited financial statements for the period ended 31 March 2020 received an unqualified audit opinion and the auditor's report contained no statement under section 113B (3) and (6) of The Companies (Jersey) Law 1991.

The financial information contained within this preliminary statement was approved and authorised for issue by the Board on 7 July 2020.

The principal accounting policies adopted are set out below.

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.

Going concern

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 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.

Notes to the Financial Statements continued

For the year ended 31 March 2020

The COVID-19 pandemic is a developing situation. The assessment of this situation will need continued attention and will evolve over time. The rapid development and fluidity of the COVID-19 virus means that is difficult to predict the ultimate impact on the Company at this stage. The impact of the pandemic will undoubtedly be material on the general economy and a number of the Company's counterparties.

The Company's operations are currently unaffected by COVID-19, given that it has no physical operations and the executive team is already home-based. Yellow Cake'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.

Yellow Cake has sufficient working capital (excluding the proceeds from the post-year-end sale of uranium) to meet approximately 18 months of operating expenses before it would need to raise additional funds. The Company has no debt or hedges on its balance sheet. In the absence of other sources of capital, the Company can reasonably be expected to realise a portion of its inventory.

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.

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.

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 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.

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.

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 loans and 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 uranium derivative liability in the scope of IFRS 9. This derivative 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 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 are 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 2020

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 uranium derivative liability. These assumptions are set out in note 7 and the carrying value of the uranium derivative liability is USD2,587,000 as at 31 March 2020 (31 March 2019: USD2,799,000).

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 2019: USDnil).

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 uranium derivative 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 year-end, the profit after tax would decrease by USD13,174,447. Likewise, if the value rose by 5% the profit after tax would have increased by USD13,174,447.

Economic risk

The COVID-19 pandemic is a developing situation. The assessment of this situation will need continued attention and will evolve over time. The rapid development and fluidity of the COVID-19 virus makes it difficult to predict the ultimate impact on the Company at this stage. However, the Company does not underestimate the seriousness of the issue and the inevitable effect it will have on the global economy and many businesses across the world.

In line with most experts, the Company believes that the impact of the virus outbreak will be material on the general economy and some central banks have already started to act by reducing interest rates and taking other measures. Undoubtedly, this will have implications for the operations of the Company.

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 USD6,480,946 (31 March 2019: USD8,749,546).

Notes to the Financial Statements continued

For the year ended 31 March 2020

As at 31 March 2020	Carrying amount USD'000	< 1 year USD'000	1 to 2 years USD'000	2 to 10 years USD'000
Cash and cash equivalents	6,481	6,481	–	–
Other creditors and accruals	(392)	(392)	–	–
As at 31 March 2019				
Cash and cash equivalents	8,750	8,750	–	–
Other creditors and accruals	(384)	(384)	–	–

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:

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

ii – 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

iii – 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 assets and liabilities (by class) measured at fair value:

Assets and liabilities **As at 31 March 2020**	**Level 1** **USD'000**	**Level 2** **USD'000**	**Level 3** **USD'000**	**Total** **USD'000**
Investment in uranium	263,489	–	–	**263,489**
Uranium derivative liability	–	(2,587)	–	**(2,587)**
As at 31 March 2019				
Investment in uranium	217,366	–	–	**217,366**
Uranium derivative liability	–	(2,799)	–	**(2,799)**

4. Investment in uranium

	Cost **USD'000**	**Fair Value Movement** **USD'000**	**Fair Value** **USD'000**
As at 18 January 2018	**–**	**–**	**–**
Acquisition of U_3O_8	178,155	–	**178,155**
Change in fair value	–	39,211	**39,211**
As at 31 March 2019	**178,155**	**39,211**	**217,366**
Acquisition of U_3O_8	30,409	–	**30,409**
Change in fair value	–	15,714	**15,714**
As at 31 March 2020	**208,564**	**54,925**	**263,489**

Notes to the Financial Statements continued

For the year ended 31 March 2020

The value of the Company's investment in U_3O_8 is based on the month-end spot price for U_3O_8 of USD27.40/lb as published by UxC LLC on 30 March 2020 (2019: USD25.75/lb as published by UxC LLC on 25 March 2019).

Acquisition of uranium

The Company has purchased a total of 9,616,385 lb of U_3O_8 at an average price of USD21.68/lb. The total cash consideration for the purchases was USD 208,564,000 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 on 23 August 2018 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.

The following table provides an analysis of the Company's investment in U_3O_8 as at 31 March 2020 by location since incorporation:

Location	Quantity lbs	Fair Value USD'000
Canada	9,616,385	263,489
	9,616,385	**263,489**

On 15 November 2019, the Company entered into an agreement with Orano Cycle to open a holding account in France. As at 31 March 2020, there was no holding in this account. Refer to Note 17 to the Financial Statements.

5. Trade and other receivables

	As at 31 March 2020 USD'000	As at 31 March 2019 USD'000
Other receivables	89	16
	89	**16**

6. Cash and cash equivalents

Cash and cash equivalents as at 31 March 2020 were banked with Citi Bank Europe plc in a fixed interest account with full access. Balances at the end of the period were USD6,480,061 and GBP 714, a total of USD6,480,964 equivalent (31 March 2019: USD8,488,607 and GBP 200,260, a total USD8,749,546 equivalent).

7. Uranium derivative liability

As part of the Initial Purchase mentioned in note 3 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 only be exercised if the U_3O_8 spot price exceeds USD37.50/lb for a period of 14 consecutive days, starting three years from the date at which the Company took delivery of the Initial Purchase inventory (being the initial public offering date of 5 July 2018) and expiring 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 USD2,587,000 (31 March 2019: USD2,799,000) as at 31 March 2020 based on the expected option payoff using a Monte Carlo simulation.

A valuation date spot price of USD27.40 per lb, volatility of 22% and the one-year US risk-free rate of 0.14% were used to simulate spot price as at 4 July 2021 (date at which the option may first be exercised). Monthly volatility of 6% and monthly US risk-free rate of 0.012% were used to simulate monthly prices to 30 June 2027. The uranium derivative liability is classified within level 2 of the fair value hierarchy as at 31 March 2020 and 31 March 2019, as disclosed in note 3.

Notes to the Financial Statements continued

For the year ended 31 March 2020

8. Trade and other payables

	As at 31 March 2020 USD'000	As at 31 March 2019 USD'000
Other creditors and accruals	392	384
	392	**384**

9. Share capital

Authorised:
10,000,000,000 ordinary shares of GBP 0.01
Issued and fully paid:
Ordinary shares

	Number	**GBP'000**	USD'000
Opening shares	–	–	–
Issued 18 January 2018	10,000	0.1	0.1
Issued 5 July 2018	76,166,630	762	1,007
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**

	GBP'000	USD'000
Opening share premium	–	–
Proceeds of issue of shares	151,591	200,449
Share issue costs	(6,207)	(8,201)
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**

On 12 April 2019 a total of 12,039,086 additional ordinary shares were issued at GBP2.15 per share. The Company incurred listing expenses comprising of commissions and professional adviser fees totalling USD1,965,778 of which USD 1,419,206 have been taken to the share premium account. The remaining costs of USD546,572 have been recognised in the Statement of Comprehensive Income.

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

10. Share-based payments

On admission to AIM the Company issued 60,275 ordinary shares to certain advisers to the Company *in lieu* of cash payments for services rendered. The fair value of the services received was USD160,000 which was recognised in Initial public offering expenses in the statement of comprehensive income in year ended 31 March 2019.

In addition, the Company issued 486,770 ordinary shares to Bacchus Capital, the Company's investment advisor in settlement of services provided in relation to the Company's admission to AIM. The fair value of these services of USD969,315 was also recognised in initial public offering expenses in the statement of comprehensive income in year ended 31 March 2019.

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

Annual bonus

The annual bonus awards are based on commercial targets and may be up to 100% of base salary, subject to performance, as determined by the Board. The bonus awards are in the form of nil-cost options, which will vest and become exercisable not earlier than one year after grant. 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 Remuneration Committee resolved to make the following annual bonus award in the form of nil-cost share option. No annual bonus awards have been granted to date.

The following options will be granted on 8 July 2020.

	Face value of first tranche of 2020 annual bonus award USD '000	Face value of award as a % of base salary	Vesting date
Chief Executive Officer	75	35%	8 July 2021
Chief Financial Officer	60	35%	8 July 2021

Notes to the Financial Statements continued

For the year ended 31 March 2020

The grant of the following options will be deferred until after the Company's annual general meeting and having regard to the COVID-19 situation.

	Face value of second tranche of 2020 annual bonus award (contingent) USD '000	Face value of award as a % of base salary	Vesting date
Chief Executive Officer	75	35%	8 July 2021
Chief Financial Officer	60	35%	8 July 2021

The number annual bonus options to be granted will be equal to the above face value at the award date, divided by the average of the mid-market closing price (converted to its USD value) of the ordinary shares of the Company on AIM over the five consecutive dealing days immediately preceding the grant date.

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 is the market value 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 permission may be granted to sell shares in order to meet tax liabilities). The face value 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 committee believes that market-priced options align the interests of management and shareholders and represent an appropriate form of long-term incentive and retention for the Executive Directors at this stage in the Company's development. No conditions, other than continued employment by the Company, are currently placed on the exercise of long-term incentive options, although the Remuneration Committee retains the discretion to impose performance conditions on the vesting of incentive awards, should it wish to do so.

Set out below is the summary of the long-term incentive options awarded on 24 February 2020 in relation to the 2020 financial year:

Grant date	Exercise date	Exercise price	Opening balance	Granted	Exercise	Expired/forfeited/ other	Closing balance
24/2/2020	24/2/2023	GBP1.97	–	152,064	–	–	152,064

All options awarded on 24 February 2020 have an exercise price of GBP1.9692 per share. The exercise price of GBP1.9692 per share represents 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.

A Black-Scholes option pricing model was used to determine the fair value 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	Fair value at grant date
24/2/2020	24/2/2023	GBP1.95	GBP1.97	25%	0.40%	GBP46,075	USD57,147

The fair value of the incentive options is recognised in the Statement of Comprehensive Income over the vesting period (31 March 2020: USD1,927).

During the year under review, the Company was in an extended closed period due to inside information relating to the sale of material blocks of shares by some of the Company's significant shareholders and the decision to implement a share buyback programme. These awards were subsequently granted on 24 February 2020 and not at the beginning of the 2020 financial year, as would be usual practice.

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 at 31 March 2020	**309,788**	**565**	**726**

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.

As at 31 March 2020, the Company had acquired 309,788 shares (held in treasury) at a volume weighted average price of GBP1.82 per share, for a total cost of USD726,320 (including USD2,380 in transactional costs) and at a weighted average discount to net asset value of 15%.

As at 29 April 2020, the Company had purchased 413,067 shares (held in treasury) at a volume weighted average price of GBP1.87 per share, for a total cost of USD985,868 and at a volume-weighted average discount to net asset value of 16%.

Given that the Company's shares continued to trade at a significant discount to net asset value, on 30 April 2020 the Yellow Cake Board decided to extend the Programme to the earlier of 21 July 2020 or the date on which US$2 million has been incurred in the purchase of the Company's shares.

On 30 June 2020, the Company announced its intention to conduct an enlarged share buyback programme to purchase up to USD10 million shares, replacing the earlier extended programme. All shares repurchased are held in treasury. At 3 July 2020, the Company held 621 806 shares in treasury.

Notes to the Financial Statements continued

For the year ended 31 March 2020

12. Procurement and market consultancy fees

In consideration for the services rendered by 308 Services Limited, the Company paid a commission of 0.5% of the consideration paid for the purchase of U_3O_8 on 31 May 2019 amounting to USD 152,045 (2019: USD1,781,550). Additional fees of USD1,017,413 (2019: USD708,735) payable to 308 Services Limited were also incurred during the year from 1 April 2019 to 31 March 2020 in consideration for its services to the Company in relation to the purchasing of U_3O_8 and in securing competitively priced converter storage services in terms with the services agreement signed on 30 May 2018.

13. Other operating expenses

	1 April 2019 to 31 March 2020 USD'000	18 January 2018 to 31 March 2019 USD'000
Professional fees	682	501
Management Salaries and Directors' fees	557	293
Other expenses	470	137
Auditor's fees	47	87
	1,756	**1,018**

14. Taxation

	1 April 2019 to 31 March 2020 USD'000	18 January 2018 to 31 March 2019 USD'000
Tax expense for the year/period	–	–
	–	**–**

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 USD161,317 (31 March 2019: USD155,083) of administration fees payable to Langham Hall Fund Management (Jersey) Limited ("Langham Hall"). Alexandra Nethercott-Parkes is an employee of Langham Hall and has served as a Non-Executive Director of the Company since 18 July 2019 for which she has received no Directors' fees. As at 31 March 2020 there were no amounts due to Langham Hall (31 March 2019: 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 as disclosed in note 13.

The following Directors own ordinary shares in the Company:

Name	Number of ordinary shares	% of share capital
The Lord St John of Bletso*	26,302	0.03%
Sofia Bianchi	18,838	0.02%
The Hon Alexander Downer	29,925	0.03%
Alexandra Nethercott-Parkes	–	0.00%
Alan Rule	18,837	0.02%
André Liebenberg	73,207	0.08%
Carole Whittall	11,302	0.01%
Total	**178,411**	**0.20%**

** 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 2020

16. Earnings per share

	1 April 2019 to 31 March 2020 USD'000	18 January 2018 to 31 March 2019 USD'000
Profit for the period (USD '000)	12,509	29,694
Weighted average number of shares since IPO*	87,823,408	76,176,630
Weighted average number of shares since incorporation*	–	46,958,197
Earnings per share attributable to the equity owners of the Company (USD):		
Basic and diluted (comparative period ended 31 March 2019 refers to the period since IPO)	0.14	0.39
Basic and diluted (comparative period ended 31 March 2019 refers to the period since incorporation)	0.14	0.63

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

The Company's share options are not dilutive at the reporting date.

17. Events after the reporting date

On 20 April 2020, the Company transferred 100,000 lbs of U_3O_8 from the Cameco facility to the Orano facility in satisfaction of its obligations under a location swap agreement.

On 30 June 2020, the Company announced that it had concluded an agreement to sell 300,000lb of U_3O_8 to finance an enlarged share buyback programme. The disposal generated proceeds of USD9.9 million after costs and commission which will be used to purchase up to USD10 million of the Company's outstanding ordinary shares.

The impact of the ongoing COVID-19 pandemic on the drivers of the uranium market continued to unfold after year-end. While there is little indication of reduced demand for uranium, the disruption to uranium production, which is very concentrated, appears to be strengthening. Kazatomprom announced in April that production would be reduced as a result of the pandemic. In May, Cameco indicated that the suspension of operations at their Cigar Lake facility would remain in place for an undetermined duration. Increasing COVID-19 cases in Kazakhstan raise the risk of further production disruptions at Kazatomprom.

The price of uranium continued to rise after year-end (31 March 2020: USD27.40/lb) on strong volumes, averaging USD30.49/lb in April, USD33.55/lb in May and USD33.03/lb in June 2020[1].

[1] Monthly average prices published by UxC LLC respectively on 27 April 2020, 25 May 2020 and 29 June 2020.

Corporate Information

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