U_3O_8

YELLOW CAKE PLC

Annual Report

for the year ended
31 March

2022

CLICK TO ENTER

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.

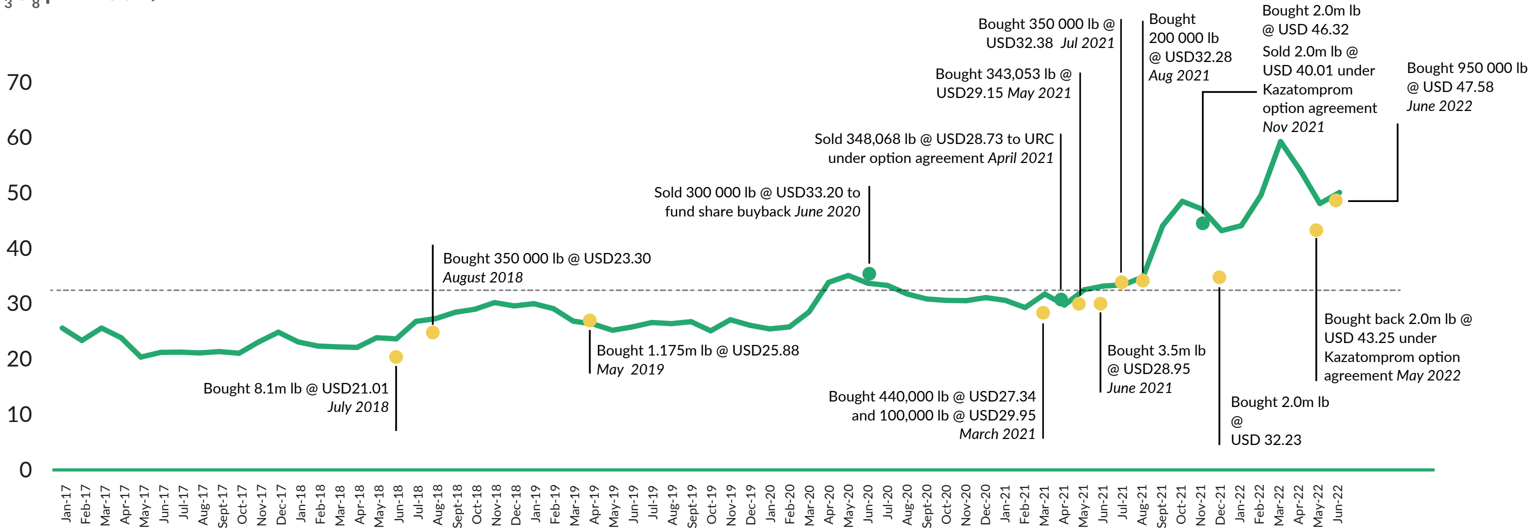
- Yellowcake is shipped from the mine and processed at licenced facilities for conversion, enrichment and fabrication into nuclear fuel.

Contents

Yellow Cake at a glance

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

U_3O_8 price USD/lb



London-quoted on AIM

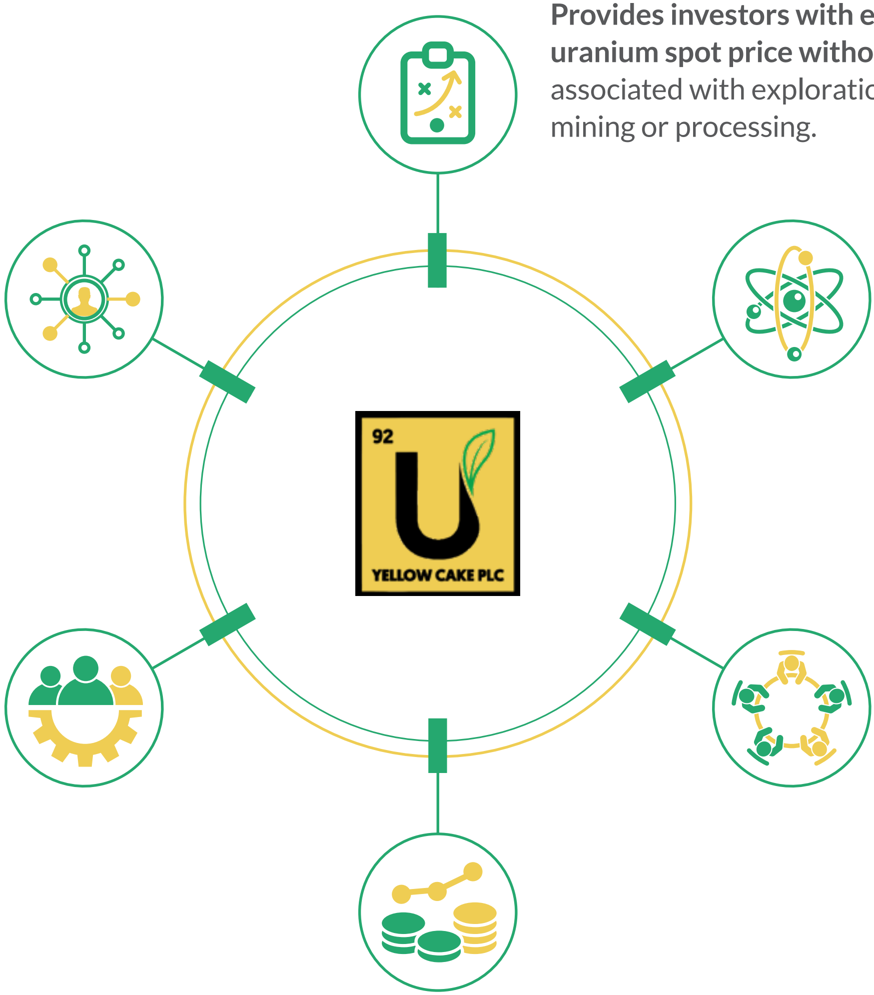
Headquarters in **Jersey**

18.81 million lb of U_3O_8 held as at 21 July 2022, acquired at an average cost of USD31.11/lb[2]

- Yellow Cake plc was established to create an opportunity for investors to profit from an anticipated rise in the uranium price arising from the short- and medium-term supply and demand asymmetry.
- Geopolitical events in 2022, including unrest in Kazakhstan and the Russian invasion of Ukraine, highlighted the concentrated nature of nuclear fuel supply and increased the focus on national energy security.
- Net zero carbon emission commitments are likely to increase the proportion of nuclear energy required by 2050, particularly in developing markets.
- The Company's long-term Framework Agreement for supply of U_3O_8 with Kazatomprom, the world's largest uranium producer[1], enables Yellow Cake plc to access up to USD100 million of uranium annually from Kazatomprom at the prevailing spot price until 2027.
- The Company's low-cost outsourced business model provides access to corporate functions and industry expertise while minimising cost leakage.
- We also aim to exploit opportunities arising from uranium ownership and uranium-based financial initiatives such as commodity location swaps, streaming and royalties and believe we are well positioned to do so.

1. *World Nuclear Association, Uranium and Nuclear Power in Kazakhstan (June 2022).*
2. *Average cost calculated based on a first-in, first-out methodology.*

Investment case



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

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

Strong board and management.

Creates liquidity for investors in a traditionally illiquid commodity.

Low-cost structure and outsourced business model.

Long-term Framework Agreement with Kazatomprom, the world's largest uranium producer, provides access to USD100 million a year of U_3O_8 at the prevailing spot price.

Highlights

Profit after tax of

USD417.3 million

for the year ended 31 March 2022 (2021: USD29.9 million).

USD3 million share buyback programme

Following the year-end, repurchased 566,833 shares between 4 April and 6 May 2022 (now held in treasury) at a volume weighted average price of GBP4.15 per share (USD5.27 per share) and a volume weighted average discount to net asset value of 10.4%, effectively acquiring exposure to uranium at a discount to the commodity spot price.

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

89%

from USD30.65/lb on 31 March 2021 to USD57.90/lb[4] on 31 March 2022.

Raised

USD236.6 million

(GBP171.7 million) during the financial year through share placings in June and October 2021, after raising USD138.5 million (GBP99.3 million) in March 2021. Applied the proceeds of the three placings to acquire 8.35 million lb of U_3O_8 during the financial year and an additional 0.95 million lb of U_3O_8 post-year end.[3]

Increase of 203% in the value of the Company's holding of U_3O_8 during the financial year to

USD916.7 million[4]

as at 31 March 2022, as a result of the appreciation in the uranium price and a net increase in the volume of uranium held from 9.86 million lb of U_3O_8 to 15.83 million lb of U_3O_8.

Net asset value of

USD1,069.0 million (GBP4.42 per share)[6]

as at 31 March 2022 (2021: USD421.4 million (GBP2.38 per share)).

Holding of

18.81 million lb

of U_3O_8 as at 21 July 2022 (including 2.97 million lb of U_3O_8 received post year-end) acquired at an average cost of USD31.11/lb[2].

Increase of

47%

in the value of the Company's holding of 18.81 million lb of U_3O_8 as at 15 July 2022 to USD860.4 million[5], relative to the average acquisition cost of USD585.1 million (USD31.11/lb)[2].

2. *Average cost calculated based on a first-in, first-out methodology.*
3. *During the financial year, Yellow Cake purchased 8.35 million lb of U_3O_8 and purchased an additional 0.95 million lb of U_3O_8 post-year end. Under option arrangements entered into in 2018, the Company disposed of 2.37 million lb of U_3O_8 during the financial year and repurchased 2.02 million lb of this U_3O_8 post-year end.*
4. *Based on the month-end spot price of USD30.65/lb published by UxC LLC on 31 March 2021 and the daily spot price of USD57.90/lb published by UxC LLC on 31 March 2022.*
5. *Based on the daily spot price of USD45.75/lb published by UxC LLC on 15 July 2022.*
6. *Net asset value per share as at 31 March 2022 is calculated assuming 187,740,730 ordinary shares in issue less 4,069,498 shares held in treasury, the Bank of England's daily USD/GBP exchange rate of 1.3162 as at 31 March 2022 and the daily spot price published by UxC LLC on 31 March 2022.*

What we do

Yellow Cake plc (the "Company") is a London-quoted company on AIM, headquartered and incorporated in Jersey, established in 2018 to acquire and hold physical uranium in the form of U_3O_8.

As at 21 July 2022, the Company owned 18.81 million lb of U_3O_8 (15.83 million lb of U_3O_8 as at 31 March 2022) which was stored at licenced conversion facilities at Cameco's Port Hope/Blind River facility in Ontario, Canada, and Orano Cycle's Malvési/Tricastin storage facility in France.

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

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

Chairman's statement

Nuclear is becoming more broadly recognised as a reliable, safe and low carbon energy source at a time when energy security concerns are crystallising.

The marked increase in activity in the uranium spot market from traders, investment firms and junior mining companies resulted in a rapid and sustained increase in the spot price of U_3O_8, which has more than doubled since Yellow Cake listed.

The Lord St John of Bletso

The trends underlying the widening global imbalance between uranium supply and demand that motivated Yellow Cake's formation in 2018 strengthened during 2021 and into 2022. The tragedy of war in Ukraine crystallised energy security concerns, given Russia's role as a key supplier of fossil fuels across Europe and its position in the nuclear fuel cycle.

Social unrest stemming from high fuel prices in January 2022 in Kazakhstan, the world's largest producer of uranium with historically close ties to Russia, emphasised the concentrated nature of uranium production. Russia is also a significant supplier of enriched uranium to US and European nuclear utilities and the possible ramifications of sanctions on uranium fuel production in Russia and the availability of nuclear fuel remain of concern.

These developments have highlighted the need for national energy policies to consider both the cost of energy and security of supply. The increased global focus on climate change and broader environmental, social and governance (ESG) issues has added carbon emissions as another important factor in national energy policy and resulted in a comprehensive review of the benefits of nuclear energy.

Nuclear energy's low carbon lifecycle emissions, reliable baseload profile and good fit with renewable energy sources are recognised in energy plans from rapidly developing countries such as China and India as well as in positive policy shifts in the US, UK, Japan and many countries in Europe. Several countries are now rethinking their positions on phasing out nuclear power, with Belgium deciding to extend the operating life of two reactors that were scheduled to shut down in 2025[6].

While thankfully the direct human impact of COVID-19 appears to be receding, the ongoing effects of the pandemic on uranium supply through disruptions to global supply chains and rising costs for certain products and services continue to be felt.

[7.] *World Nuclear News; "Extended Operation of Two Belgian Reactors Approved"; 21 March 2022.*

Chairman's statement continued

Strong interest in uranium equities

Increased investor interest led to a marked increase in activity in the uranium spot market from traders, investment firms and junior mining companies, resulting in a rapid and sustained increase in the spot price of U_3O_8, which has more than doubled since Yellow Cake listed. The Company took advantage of the strong market support through two oversubscribed equity raises in the 2022 financial year to raise USD230 million (after costs), the proceeds of which were deployed to significantly increase its holdings of U_3O_8.

Realising returns for investors

Yellow Cake was established to provide investors with long-term exposure to the uranium spot price through a liquid and publicly-quoted vehicle. The Company's low-cost outsourced business model minimises cost leakage and limits risk exposure from the uranium production chain. The long-term partnership with Kazatomprom is a key strategic advantage that provides access to material volumes of uranium at the prevailing market price and is particularly important as we transition to an undersupplied market.

Yellow Cake aims to realise a return for investors from the appreciation in value of the Company's U_3O_8 holdings. Periods when the Company's shares trade above net asset value provide an opportunity to raise capital to invest in additional uranium. When the shares trade below net asset value, as they did from mid-January this year, equity issues would be dilutive for existing shareholders. In these cases, the Board considers share buybacks to be an effective means of increasing shareholders' exposure to uranium at a discount to the commodity spot price.

U_3O_8 price history since listing (USD/lb)

Source: UxC LLC

Accordingly, the Board implemented a programme to repurchase the Company's ordinary shares commencing on 4 April 2022, which concluded on 6 May 2022 with the acquisition of 566,833 shares, returning USD3 million to shareholders.

While the Board reserves the right to declare a dividend, as and when deemed appropriate, the Company does not currently expect to issue dividends on a regular or fixed basis. The Board is not declaring a dividend for this financial year.

In the second half of the year, the Board conducted a review of the Company's strategy in the context of the prevailing conditions and outlook for the uranium market. The review included an assessment of the appropriateness of Yellow Cake's corporate structure, ability to source additional U_3O_8 volumes beyond the Kazatomprom option, opportunities for maximising value from the physical uranium already owned and the Company's ultimate strategic goal. The review concluded that the current strategy and corporate structure remain appropriate.

Share issues

Yellow Cake held two General Meetings during the financial year, in June 2021 and January 2022, to obtain shareholder approval to renew the Board's authorities to allot additional ordinary shares ahead of the Annual General Meetings (AGMs) in September 2021 and 2022. These renewals were necessary to allow Yellow Cake to take advantage of opportunities to acquire uranium once the shares issued under the authority obtained at the preceding AGMs were almost fully utilised.

The Company placed 25 million new ordinary shares on 21 June 2021 and an additional 30 million new ordinary shares on 29 October 2021. These share issues, together with the issue in March 2021 (in the 2021 financial year), enabled Yellow Cake to acquire 9 million lb of U_3O_8, nearly doubling the Company's holdings by June 2022 to 18.8 million lb, or 15% of 2021 global annual production.

Chairman's statement continued

Governance

Yellow Cake's Board of Directors appreciates 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 performance. We are committed to good governance and high ethical standards.

The Company applies 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 Code of Conduct sets the operational and performance requirements for Yellow Cake's employees, directors, business partners, contractors and advisers, and promotes the Company's key values of dignity, diversity, business integrity, compliance and accountability.

The small scale and simplicity of the organisation enhances effective governance and oversight, and ensures good communication. Compliance policies are regularly reviewed and updated to ensure continued alignment with the latest developments in corporate governance requirements and guidelines. Policies and measures are in place to prevent the opportunity for bribery or inducements, and include a whistleblowing policy.

The Board plays an active role in overseeing the Company's activities and met ten times during the year to 31 March 2022. 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.

Although Yellow Cake does not have a material direct social and environmental impact, the Company conducts the necessary due diligence on suppliers and business partners to ensure that they share our commitment to responsible business practices. Yellow Cake has a zero-tolerance approach to bribery, corruption and unethical practices.

The Board welcomes the increased global attention on climate change and mitigating the effects of global warming.

In line with Yellow Cake's commitment to ESG principles, we commission an annual external and independent assessment of our ESG practices and those of our primary suppliers. An overview of the assessment and its conclusions is available on pages 20 to 23.

Stakeholder engagement

The Board recognises the importance of regular engagement with stakeholders and the Company proactively facilitates opportunities for dialogue. The Executive Directors address day-to-day queries raised by stakeholders and the chairs of the Board Committees seek engagement with shareholders on significant matters related to their areas of responsibility when required. The Chairman is available to the Company's major shareholders to discuss governance, strategy and performance. Feedback on all stakeholder engagements is regularly communicated to the Board and informs its deliberations.

The resolution for the re-election of Emily Manning to the Board of the Company received less than 80% of votes in favour at the AGM in September 2021. In accordance with the recommendations of the Code, Yellow Cake approached the majority of those major shareholders who voted against the resolution to understand their specific concerns. The Company did not receive any substantive feedback from the major shareholders but understands that their votes were primarily influenced by the stance taken by the proxy advisor regarding Ms Manning's independence and membership of the Audit and Remuneration Committees.

The Board undertook a rigorous evaluation and concluded that Ms Manning is independent of both character and judgment and makes a valuable contribution to Board discussions while also providing effective challenge to management and the wider Board. Nevertheless, Ms Manning retired from the Audit and Remuneration Committee, but remains a Director of the Company. More information on shareholders' concerns, the Board's response and other engagements with stakeholders is available in the Corporate Governance Report on page 48.

Appreciation

In closing, I would like to thank my colleagues on the Board for their support and for their thorough and extensive contribution during the year. On behalf of the Board, I would like to extend our appreciation to Yellow Cake's shareholders and investors for their continued support and strong interest in the share issues during the year.

The Lord St John of Bletso
Chairman

Our strategy

Yellow Cake's strategy is to buy and hold physical U_3O_8, thereby providing investors with liquid exposure to the resurging uranium price. The Company's strategic relationship with Kazatomprom, the world's largest and lowest-cost producer[1], allows for value accretive growth through the ten-year Framework Agreement to 2027, which gives Yellow Cake the right to purchase up to USD100 million of U_3O_8 annually, at the prevailing spot price.

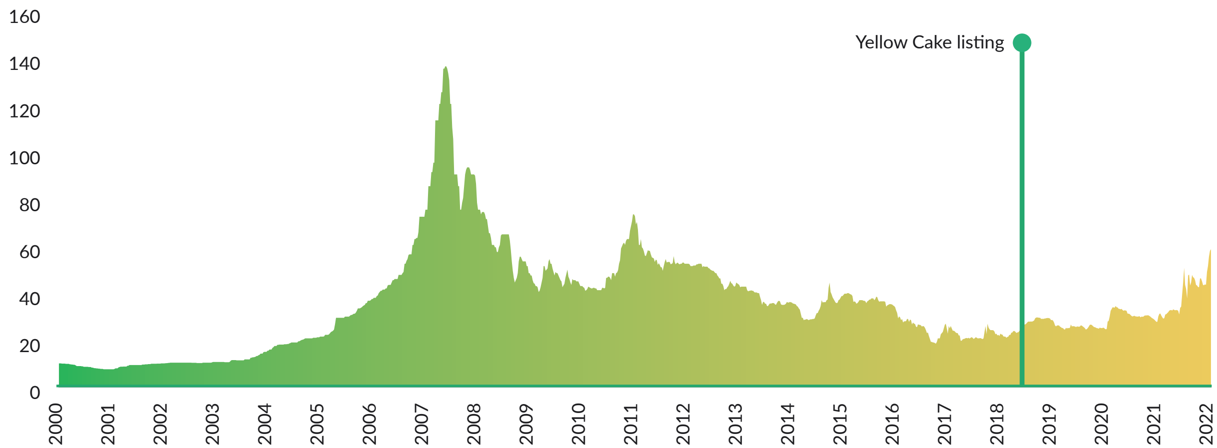
Our approach is to raise capital to invest in additional uranium when the Company's shares trade above net asset value. When the shares trade at a significant discount to net asset value, share buybacks provide an opportunity to increase shareholders' exposure to uranium at a discount to the commodity spot price.

The Company has no operating assets, does not enter into hedging arrangements and has no exposure to the risks associated with exploration, development, mining or processing. The low-cost structure minimises cost leakage by outsourcing administrative services.

Yellow Cake's model leverages the expertise and market knowledge of the Company's executive management and service providers to generate additional value through uranium-related transactional activities, such as uranium location swaps, and assesses other operational and financial transactions to secure exposure to uranium, including streaming and royalties.

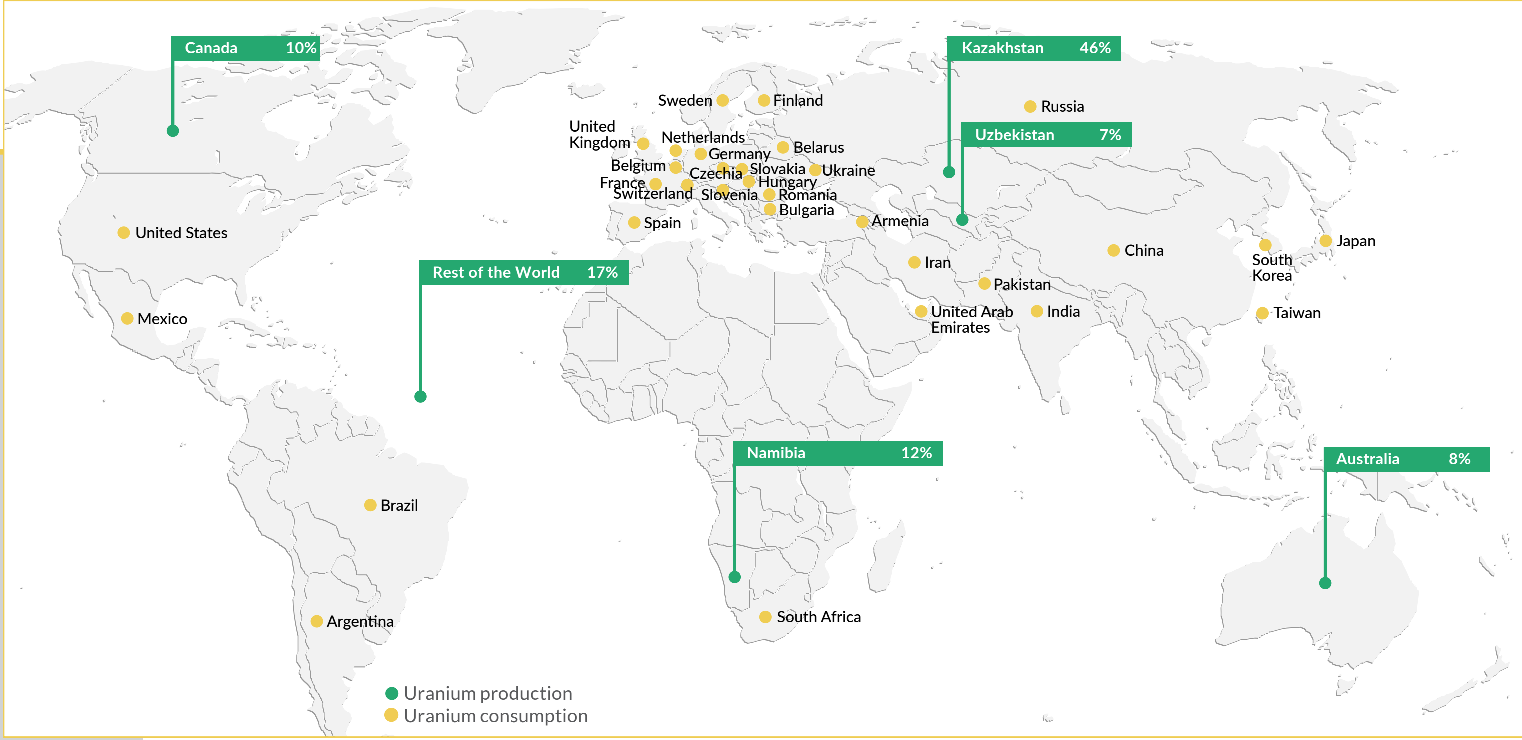
The Board of Directors comprises an experienced team committed to ensuring the highest standards of corporate governance, with a focus on creating and protecting value for shareholders.

U_3O_8 price history (USD/lb)



Source: UxC LLC

Our strategy continued



Yellow Cake listed in July 2018 at a time when the uranium market price had traded sideways for an extended period despite the supply-demand disconnect implying a strong recovery over time. The shift in sentiment towards nuclear energy in the context of net zero carbon commitments together with the impact of COVID-19, unrest in Kazakhstan and the invasion of Ukraine by Russia emphasised the supply/demand imbalance and the U_3O_8 price has started to adjust. The section that follows discusses these developments and the longer-term trends that suggest further upside.

In 2021, five countries produced 83% of the world's uranium[8]

Kazakhstan	46%
Namibia	12%
Canada	10%
Australia	8%
Uzbekistan	7%
Rest of the world (10 countries)	17%

There are nuclear reactors in 33 countries, with the USA, France and China currently accounting for just over half of global operable reactor capacity[9]

USA	24%
France	16%
China	13%
Japan	8%
Russia	7%
South Korea	6%
Rest of world (27 countries)	26%

Reactors under construction/planned/proposed represent a 135% increase in global capacity, with the biggest contributors to this growth planned in[9]:

China	48%
India	9%
Russia	9%
United Kingdom	5%
Saudi Arabia	3%
Japan	3%
Rest of the world (31 countries)	23%

8. UxC Weekly "2021 U_3O_8 Production Review", 09/05/22.

9. World Nuclear Association/ World Nuclear Power Reactors & Uranium Requirements (May 2022).

Our strategy continued

The nuclear fuel value chain

Uranium ore is processed into yellowcake (U_3O_8), which is further refined before conversion into a gas (uranium hexafluoride – UF_6) at five facilities in the United States, Canada, France, Russia and China[10]. Russia accounts for 38% of total global conversion capacity currently utilised. The enrichment process uses centrifuges to increase the concentration of U-235, the main fissile isotope of uranium, from its natural concentration of around 0.7% to around 3.5% to 5%, the level required for use as a fuel in most nuclear reactors. Uranium enrichment is a sensitive technology from a nuclear non-proliferation standpoint and is tightly controlled. Around 90% of the world's enrichment capacity is located in China, France, Russia, the United Kingdom and the United States[11], with Russia accounting for 43% of global enrichment capacity.[11]

Different reactor designs use specific fuel assemblies usually supplied by the reactor vendors, most of which own fuel fabricators. In the fuel fabrication process[12], enriched UF_6 is converted into uranium dioxide (UO_2) that is used in the nuclear fuel bundles. Significant fuel fabrication capacity is located in China, France, Russia, the United Kingdom, the United States, Japan, Canada and India.

The complexity of the nuclear fuel cycle means that from uranium mine to nuclear reactor can take up to 18 months[13].

Mining

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

Conversion

- Conversion plants convert physical U_3O_8 from powder form into natural uranium hexafluoride gas (UF_6)

Enrichment

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

Fuel fabrication

- Enriched UF_6 is converted to uranium dioxide powder which is fabricated into fuel rods and then fuel rod bundles

Fuel bundles are placed into nuclear reactors owned by utility companies

Nuclear power utilities refuel on average around every 18 months[14] and hold uranium inventories as working inventory (being enriched, or fabricated into fuel) or strategic inventory (forward requirements held in the event of supply disruption). These utilities secure the majority of their uranium purchases through long-term contracts directly with producers, converters and enrichers (three to five years in advance and for delivery over an extended period, usually five years). The balance is purchased in the spot market (defined as delivery within a year) which generally trades at a discount to the term contract prices. The long term nature of the front end of the nuclear fuel cycle (mine to reactor), the extended refuelling cycle and stockpiles held at utilities contribute to the lag before short-term supply shocks reflect in spot price. Typically, around 80% to 85% of utilities' uranium purchases are contracted, although current contracting levels are significantly lower (see page 15).

10. *World Nuclear Association, Conversion Enrichment and Fabrication/Conversion and Deconversion (updated January 2022).*
11. *World Nuclear Association, Conversion Enrichment and Fabrication/Uranium Enrichment (updated September 2020).*
12. *World Nuclear Association, Conversion Enrichment and Fabrication/Fuel Fabrication (updated October 2021).*
13. *OECD-NEA, The Economics of the Nuclear Fuel Cycle (1994).*
14. *World Nuclear Association, Nuclear Fuel Cycle Overview (updated April 2021).*

Our strategy continued

The Uranium market

Miners

Production of 123 Mlb uranium oxide (U_3O_8) in 2021[15]

Producers bought 13.0 Mlb from the 2021 spot market[16]

Secondary supplies

Spot market

A record 101.8 Mlb of U_3O_8 traded on the spot market in 2021[16]

Traders and financial buyers

YELLOW CAKE PLC

Utilities

Global

1. Utilities 2021 reactor requirements 177.5Mlb of U_3O_8[17]
2. Expected 2022 reactor requirements 162.5Mlb[9]
3. Total 2021 spot purchases by nuclear utilities (global) – 17.5Mlb (17% of total spot market volume – 101.8Mlb)[16]

Combined US/EU Utilities (data from CY2020)

1. Total US/EU uranium deliveries (spot/term) for 2020 – 81.7Mlb[18, 19]
2. Uranium delivered under long-term/multi-year purchase agreements – 68.0Mlb (83.2%) (average price – USD34.62/lb)[18, 19]

15. *UxC Weekly "2021 U_3O_8 Production Review" 09/05/22.*
16. *UxC Weekly "2021 Uranium Spot Market Review", 24/01/22.*
17. *World Nuclear Association/ World Nuclear Power Reactors & Uranium Requirements (August 2021).*
18. *Euratom Supply Agency Annual Report 2020.*
19. *US Energy Information Administration 2020 Uranium Marketing Annual Report (May 2021).*

Our strategy continued

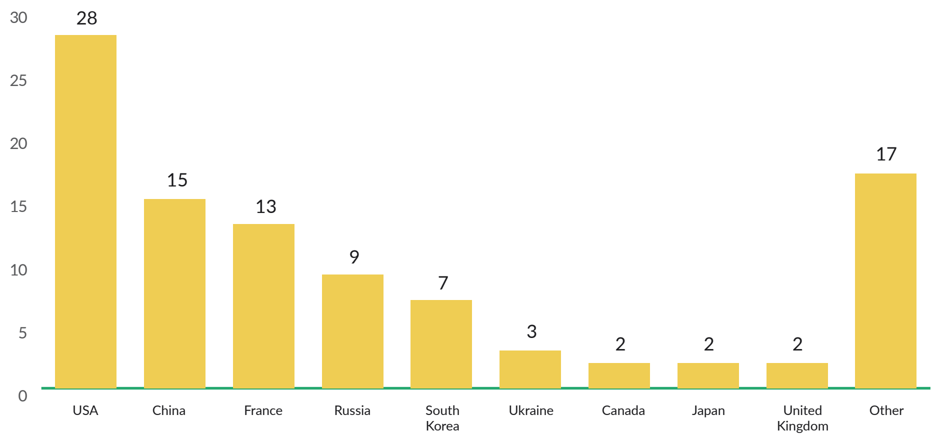
Demand side drivers

+ Long-term growth in global energy demand
+ Strong growth forecast for nuclear in the large developing economies in Asia
+ Low carbon emission energy source supports 2050/2060 country emission targets
+ Increased focus on energy security in light of geopolitical developments driving a rethink in energy policies previously moving away from nuclear
+ Delivers reliable and predictable electricity to complement renewable sources
+ Advances in small modular reactor (SMR) design reduce facility costs and footprint
+ Increased activity in the spot market from financial intermediaries
+ Contracting by nuclear power utilities for future uranium purchases is currently at low levels and expected to increase
+ Resolution of recent US policy uncertainty and bipartisan support for nuclear in the US
– Resistance regarding perceived potential environmental and safety impacts

Supply side drivers

– Concentrated resources (three countries produce 68% of the world's annual uranium) increase the risk of supply disruptions due to geopolitical events or other developments (e.g. COVID-19, Kazakhstan unrest, Russia/Ukraine)
– Significant historical resources reached end of life in 2021 (Ranger and Akouta)
– Exploration and development of new resources has been uneconomic during an extended period of depressed uranium prices
– Inflation, supply chain disruptions for essential inputs and industry skills shortages are increasing the cost of restarting idled capacity and developing new resources
– Producers continue to show supply discipline at current prices
+ Secondary supply from stockpiles and enrichers offsets some of the production shortfall

Uranium requirements (percentage of world demand)



Source: World Nuclear Association[9]

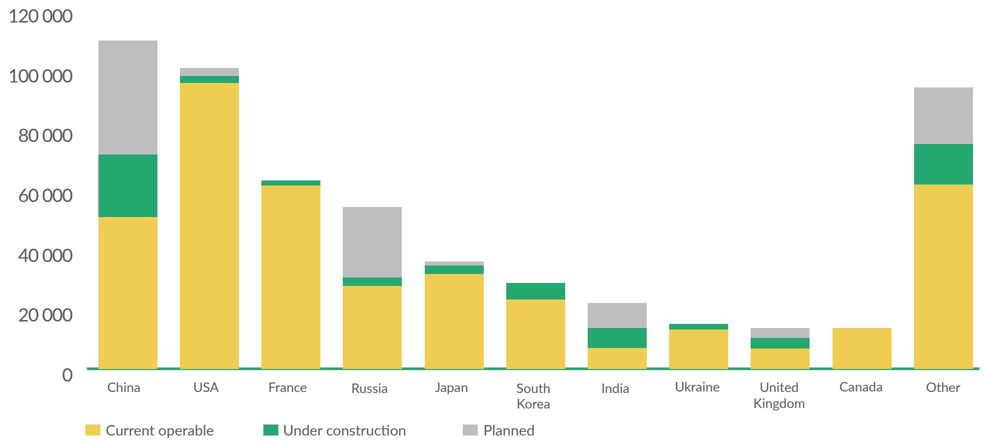
Nuclear energy remains a key and growing element of global energy supply

Uranium is primarily used in the production of electricity in nuclear power plants. The US is currently the largest user of uranium, accounting for 28% of global uranium demand and nuclear contributes 20% of the country's total electricity compared to the global average of around 10%.

Our strategy continued

There are currently 439 reactors operable worldwide with a capacity of 390 GWe11[20]. An additional 152 reactors (158 GWe) are currently under construction or planned. 49% of the nuclear capacity currently under construction is in China, Russia and India, and 73% of capacity additions planned is in those countries. All three countries are currently heavily reliant on fossil fuel energy sources and nuclear is likely to have a strong role to play in their future energy mix if they are to meet carbon emission reduction targets. While nuclear energy produces 21% of Russia's electricity, India only derives 3% of its energy from nuclear and China 5%. Reactors are also being built or planned in many emerging markets including Bangladesh, Belarus, Egypt, Turkey and the UAE.

Current and future reactors (MWe)



Source: World Nuclear Association[9]

From 1998 to 2020, the number of new reactors coming online (105) slightly exceeded old plants being retired (103) and the increased size of the new reactors installed resulted in a marginal increase in capacity[9]. In recent years, many nuclear reactors have been uprated to increase their capacity and operating licences have been extended beyond the initially planned lives of various facilities. The WNA has concluded that there are currently no firm projections for retirements in the next two decades, but the WNA's reference case conservatively estimates 123 reactors closing by 2040 compared to 308 coming online.

Nuclear and net-zero carbon emissions[21]

The energy sector accounts for around three-quarters of current greenhouse gas emissions and has an integral role to play in the global response to climate change. The 26th Conference of the Parties (COP26) of the United Nations Framework Convention on Climate Change in November 2021 saw a strengthening commitment from countries and companies to achieve net-zero emissions by 2050. Nuclear power is not only an efficient, secure and very low carbon source of energy, but its reliability and predictability make it an excellent complement for renewable sources of energy that supports grid stability.

The International Energy Agency scenarios show that nuclear energy, as one of the largest sources of low-carbon electricity today, will be essential to achieve this transition. Nuclear power is forecast to double by 2050, remaining just under 10% of total electricity generation in the Net Zero Emissions by 2050 Scenario, with the rate of construction of new nuclear capacity quadrupling compared to the last decade. Two-thirds of new nuclear power capacity will be built in emerging market and developing economies with the fleet of reactors quadrupling to 2050. Advanced economies will rely more on lifetime extensions for existing reactors as one of the most cost-effective sources of low-carbon electricity, with new construction likely to be more reliant on small modular reactors (SMRs).

Despite nuclear energy's very low operating costs relative to most other forms of energy, 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 SMR solutions that typically have generation capacities below 400 MW per unit. These reactors are less technically challenging to construct, quicker to build, easier to fund and could be sited on existing approved nuclear power facilities due to their relatively small size. SMRs and other advanced reactor designs are moving towards full-scale demonstration and have scalable designs and lower upfront costs. They also provide improved flexibility in operation as well as their potential to provide outputs in addition to electricity, such as hydrogen and heat.

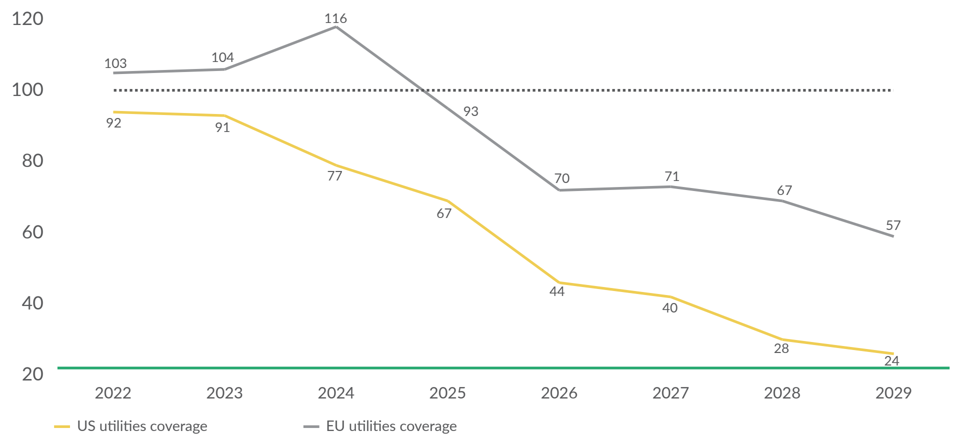
20. *World Nuclear Association, Nuclear Generation by Country (updated June 2021).*
21. *Net Zero by 2050, IEA (October 2021).*

Our strategy continued

Utility long-term contracts need to be replaced

Typically, around 80% to 85% of utilities' uranium purchases are contracted, however, currently only around 70%[18] of European and 44%[19] of US utilities' 2026 uranium requirements are currently contracted. In the last few years, the US policy issues that may have contributed to the delay in long-term contracting were resolved and the volume of term contracting by US utilities was the highest since 2009, although total volumes remained below the average of the six years before 2020[22].

Future contracted coverage rate of US and European utilities



22. UxC Weekly "Term Contracting Review" 31/01/22.
23. https://www.energy.gov/articles/doe-seeks-applications-bids-6-billion-civil-nuclear-credit-program.
24. www.nytimes.com/2020/09/23/world/asia/china-climate-change.
25. www.eia.gov/international/analysis/country/CHN.
26. Bloomberg, "China's Climate Goals Hinge on a $440 Billion Nuclear Buildout", 2 November 2021.
27. World Nuclear News: "Macron: Nuclear "absolutely key" to France's future", 13 October 2021.
28. Reuters: "Macron says France will build new nuclear energy reactors," 9 November 2021.
29. European Commission – press release, "EU Taxonomy: Commission begins expert consultations on Complementary Delegated Act covering certain nuclear and gas activities", 1 January 2022.
30. Technical assessment of nuclear energy with respect to the "do no significant harm" criteria of Regulation (EU) 2020/852 ("Taxonomy Regulation"), (August 2021).

National energy policy is shifting in favour of nuclear in some of the biggest users of uranium

Recent shifts in sentiment have led to a more positive national and regional policy outlook for nuclear energy, particularly in the US, China and France, which together currently account for nearly 60% of global uranium requirements.

A number of acts recently signed into law or currently under discussion by the US House and Senate indicate bipartisan support for nuclear energy and promote further research and development in the industry. In April, the US Department of Energy (DOE) announced plans to seek applications and sealed bid submissions under the Bipartisan Infrastructure Law's USD6 billion Civil Nuclear Credit Program, which supports the continued operation of commercial nuclear reactors which may be under economic threat and in danger of premature closure[23]. The announcement stated that "The Biden-Harris Administration has identified the nation's current fleet of reactors as a vital resource to achieve net-zero emissions economy-wide by 2050".

President Xi Jinping announced China's commitment to achieving net zero emissions by 2060, with CO_2 emissions peaking no later than 2030[24]. China is already the world's largest producer and consumer of energy[25] and is planning at least 150 new reactors in the next 15 years, more than the rest of the world has built in the past 35 years[26].

In October 2021, French President Emmanuel Macron announced that nuclear power must continue to play a major role in France's energy program[27] and in November he stated that France would build additional nuclear reactors to support energy independence with the expectation that construction of six new reactors would be announced in the near future[28].

During the calendar year, the European Commission undertook consultations to draft a Taxonomy Complementary Delegated Act covering gas and nuclear activities[29] in support of the EU taxonomy for sustainable finance, which will shape future national energy policy across the region. The Commission stated that there is a role for natural gas and nuclear as a means to facilitate the transition towards a predominately renewable-based future. Under the proposed taxonomy rules, nuclear projects permitted until 2045 will be classified as green, on the condition that countries can safely dispose of the toxic waste and do not create significant harm to the environment[30]. In July 2022, the European Parliament voted on and approved the draft taxonomy, moving it closer to passing into law.

Our strategy continued

Spot volumes hit a new record in 2021[16]

Spot market volumes in the 2021 calendar year broke the record volumes of 2020, reaching approximately 102 million lb of U_3O_8 (CY2020: 95 million lb). Much of this volume was driven by non-utilities, with buying by producers, financial funds and junior uranium companies accounting for 83%.

The uranium spot market price started 2021 at USD30.00/lb and ended the year 40% up at USD42.05/lb, after hitting a nine-year high in mid-September of USD50.50/lb. After tracking sideways to slightly down in the first two months of 2022, the spot uranium price rose sharply in the last week of February in response to the Russian invasion of Ukraine. On 31 March 2022, the spot price was USD57.90/lb and decreased to USD45.75 lb by 15 July 2022.

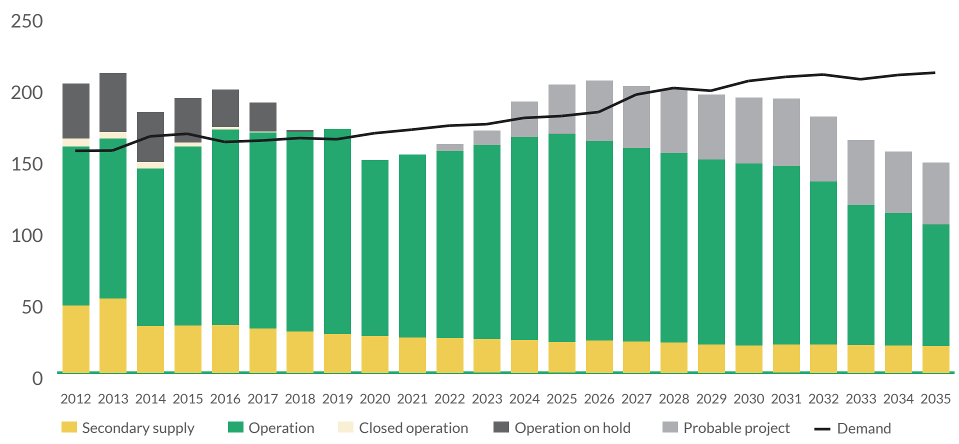
Aggregate term contracting in CY2021 increased to around 70 million lb U_3O_8 from 57 million lb in CY2020, but remained at relatively low levels compared to CY2019 (96.2 million lb) and CY2018 (90.5 million lb).

The acceptance of nuclear energy's role in the global commitment to net zero emissions and increased focus on energy security is expected to support further demand, particularly given the need for US and European utilities to secure long-term contract coverage. With significant additions to the global nuclear fleet currently under construction, we expect a sustainable return to buying from utilities.

Supply-side drivers

The ability of the global supply of uranium to respond to increases in demand is constrained by both the extended nature of the nuclear fuel value chain (see page 11) and concentrated supply. 52% of the world's uranium resources are located in Australia, Kazakhstan and Canada[31] and together these countries produced 64% of global uranium mined production in 2021. COVID-19 led to production in 2020 falling to the lowest level in more than a decade at 122 million lb of U_3O_8, with a marginal increase to 123 million lb in 2021[15].

Uranium supply-demand balance



Source: MineSpans (May 2022)

[31] *NEA/IAEA (2021), Uranium 2020: Resources, Production and Demand, OECD Publishing, Paris, https://doi.org/10.1787/d82388ab-en.*

Our strategy continued

Primary production has not met market demand for uranium for an extended period and the primary supply deficit reached a new record before narrowing slightly in 2021. In the first quarter of 2021, production ceased at two significant resources in Australia[32] and Niger[33] that together produced nearly 500 million lb of U_3O_8 over their operational lives. Producers have been disciplined in shutting down or suspending selected operations to manage supply while the uranium price disincentivised production. Since 2014, an estimated 77.6 million lb of U_3O_8 has been removed from the market through production curtailments[34].

Despite the increase in spot and term uranium prices, they are not yet at prices that are likely to incentivise the development of new resources. Increasing global inflation, ongoing supply chain disruptions, industry skills shortages and more realistic mine planning and assessments are likely to keep the incentive price for the majority of new uranium mining projects above current levels.

Secondary supply of uranium comes from commercial and government inventories, enricher underfeeding, and depleted uranium tails recovery[35]. The supply gap is currently being covered mainly by underfeeding at enrichment facilities and utility/producer inventory draw-down, but secondary supplies are declining and may not be sufficient to fill the supply deficit.

With uranium demand set to increase to 2050 in line with current forecasts for nuclear power growth, a significant supply deficit is forecast by 2030 unless additional supply is brought online[36].

COVID-19

While the impact of COVID-19 affected both uranium demand and supply, the supply side was affected more significantly. Market demand for U_3O_8 increased marginally, while 2020 primary production decreased by 15%[15] and the primary supply deficit increased to 30% of market demand. In 2021, the impact of the pandemic continued to be felt in decreased production in Canada and Kazakhstan as well as in the ongoing disruptions to global supply chains that affected availability of key inputs and capital equipment.

Developments in Kazakhstan and Ukraine

Civil unrest in Kazakhstan in January saw mass protests in reaction to increased fuel prices. Clashes between protestors and Kazakh security forces led to a nationwide state of emergency, enforced with the support of an estimated 2 500–3 000 Russian troops. Uranium production and transport operations in the country remained unaffected, although Kazatomprom cautioned that possible supply chain disruptions could occur especially for the importation of materials deemed critical to in-situ recovery (ISR) uranium production as well as the exportation of the final product. It is expected that nuclear utilities could reassess their risk management programmes as relates to uranium purchases from Kazakhstan.

Russia's invasion of Ukraine in February has not had a material direct impact to date on the Company's operations. All U_3O_8 to which the Company has title and has paid for, is held at the Cameco storage facility in Canada and the Orano storage facility in France. While part of Kazatomprom's production is transported through Russia, the Company is unaware of any restrictions on Kazatomprom's activities related to the supply of its products to the Company. Yellow Cake has to date received deliveries from Kazatomprom in accordance with agreed delivery schedules.

32. *Energy Resources of Australia, "Processing Operations at ERA's Ranger Mine Conclude", 8 January 2021.*
33. *Orano, "A New Stage Commences for the COMINAK Mine in Niger," 31 March 2021.*
34. *MineSpans (September 2021).*
35. *World Nuclear Association, Supply of Uranium (August 2019).*
36. *MineSpans May 2022.*

Our strategy continued

The stringent economic sanctions imposed by the European Union and United States on Russian companies and individuals include bans on the import of oil, liquified natural gas and coal from Russia, but do not currently directly impact the global nuclear fuel trade, although the situation continues to evolve. US nuclear utilities are reportedly lobbying the Biden Administration requesting that nuclear fuel imports from Russia continue to be allowed in order to maintain low electricity prices[37]. However, the US Congress tabled legislation in March that would specifically ban the importation of Russian-sourced nuclear fuel to US nuclear utilities[38]. Recent utility data shows that US nuclear utilities relied on Russian origin/sources for 15% of uranium and 22% of uranium enrichment services supplied to US utilities from 2016 to 2020[39], while EU nuclear utilities purchased over 17% of uranium and 29% of enrichment services from Russia over the same period[40].

The energy vulnerabilities revealed by the invasion of Ukraine, especially for the EU, has led to a global reassessment of the role of nuclear power and national plans for the phase-out of existing nuclear generating capacity. Most notably, Belgium's federal government took the decision to grant a ten-year extension for operations at two of its nuclear reactors which had been slated to shut down in 2025[6]. In the US, there is increased urgency to establish a national strategic uranium reserve to mitigate the potential harm caused by a disruption in foreign supplied material[41].

Outlook

Absent a material and sustained increase in the long-term uranium price, supply deficits are likely to continue with a significant shortfall predicted by 2030. Yellow Cake is uniquely positioned to benefit from demand growth and supply-side pressure and the likely resulting uranium price increases. We remain confident in the long-term outlook for the commodity, as demand is expected to continue to exceed supply.

37. *Reuters "Exclusive: US Utilities push White House not to sanction Russian Uranium", March 2022.*
38. *https://stauber.house.gov/media/press-releases/stauber-colleagues-introduce-bipartisan-bill-ban-uranium-exports-russia.*
39. *US Department of Energy '2020 Uranium Marketing Annual Report', May 2021.*
40. *Euratom Supply Agency Annual Reports 2016 - 2020.*
41. *UxC Weekly "Winter Market Survey", 04/04/22.*

Our business model

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

Kazatomprom Framework Agreement

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

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

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

308 Services Ltd

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

Cameco Storage Contract

Most of Yellow Cake's current holding of 18.81 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.

The Company enters into transactions such as location swaps from time to time, when this is commercially advantageous.

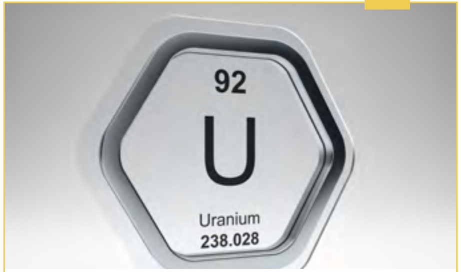
Orano Cycle Storage Contract

Yellow Cake stores the balance of its uranium at Orano Cycle's Malvési/Tricastin facility.

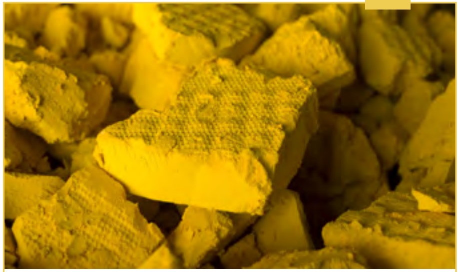
Environmental, social and governance

Highlights

An important participant in the transition to a low carbon economy



Strong female representation at the management and board level



The highest levels of safety in the storage of uranium

A skilled, committed and independent board

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

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

Environmental, social and governance continued

Product responsibility

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

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

The 18.8 million lb of U_3O_8 owned by Yellow Cake is stored in metal drums in storage accounts at licenced storage facilities at Cameco's Port Hope/Blind River operation in Canada and Orano Cycle's Malvési/Tricastin site in France.

Yellow Cake occasionally enters into location swap agreements and other uranium-based financial initiatives. To date, these transactions have not involved the physical transportation of uranium and were completed by book transfer.

Radiation monitoring and safe working practices are in place at Kazatomprom. The management systems at Kazatomprom's operations, Cameco's Port Hope/Blind River facilities and Orano's Malvési/Tricastin facilities are aligned with OHSAS 18001 or ISO 45001 (occupational health and safety management systems) and ISO 14001 (environmental management systems). Kazatomprom received certification in terms of ISO 14001 and ISO 45001 in 2021.

ESG reporting boundary and identification of material issues

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

External ESG assessment

As part of Yellow Cake's commitment to adherence to ESG principles, each year the Company commissions an external and independent assessment of its practices, with regard to the Company itself as well as operations along its supply chain. This assessment was conducted by PRISM, an independent emerging markets risk consultancy with extensive experience in the mining and, oil and gas industries.

PRISM's review included a review of Yellow Cake's ESG performance against the following methodologies:

- United Nations Sustainable Development Goals (UNSDG)
- Global Reporting Initiative (GRI) Standards
- Task Force on Climate-Related Disclosures (TCFD)
- Sustainability Accounting Standards Board framework (SASB)

Within the SASB framework, given Yellow Cake's unique business model, the Company's operations do not align with all guidelines for the 77 industries recognised by SASB standards. The assessment was therefore focused on SASB sustainability issues identified by Yellow Cake and PRISM as relevant to the Company's financial conditions and operations. These consist of:

- 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 assessment conducted by PRISM covered ESG risks associated with Yellow Cake's primary supplier, the Republic of Kazakhstan's state uranium mining company Kazatomprom, over the 2021 financial year. The review also assessed the practices of Yellow's Cake storage suppliers: Cameco in Canada and Orano in France. Research of information in the public domain and enquiries with industry and third sector sources were conducted as part of the analysis. Kazatomprom also made available high-level managers from departments in relevant areas of responsibility.

Based on the benchmarks and principles of the above leading ESG standards setters and frameworks, PRISM identified the following key assessment areas for the review of Yellow Cake's ESG risks linked to its primary suppliers:

- Environment: Emissions, Water Use, Nuclear Assets
- Social Responsibility: Human Rights and Community Relations
- Employees: Health and Safety, Education, Diversity
- Business Model: Resilience, Innovation, Procurement, Ethics
- Risk Management: Regulatory and Political Environment

Environmental, social and governance continued

Key findings from the report include:

PRISM's review indicated that ESG is integrated into Kazatomprom's core strategic framework and that the company continues to make progress with expanding its disclosure and achieving its sustainability targets. Kazatomprom publishes information on its ESG performance in its Integrated Annual Report in accordance with GRI guidelines and sets numerous UNSDG aims for itself. Kazatomprom is a corporate leader in Kazakhstan in aligning its policies with global standards. Cameco and Orano continue to improve their ESG performance and expand their strategies beyond legislative and regulatory requirements.

Environment

- Given Yellow Cake's significant role in the nuclear power industry, it is a key participant in the global energy transition.
- Although Yellow Cake does not directly engage in mining operations or handle inventory, the Company is committed to the reduction of ESG risks throughout its supply chain by commissioning independent reviews of its suppliers and contractors.
- Primary supplier Kazatomprom uses *in-situ* recovery for uranium extraction, a method producing fewer emissions than other methods.
- In the 2021 financial year, Kazatomprom disclosed its Scope 2 emissions for the first time and announced that it is developing a Decarbonisation Strategy to achieve carbon neutrality in its operations.
- However, Kazatomprom is at an early stage in this process, and therefore Yellow Cake will continue to monitor progress on reducing CO_2 emissions and expanding disclosure.

Social

- Yellow Cake continues to implement and expand its policies on employee and stakeholder well-being, including health and safety, equal opportunities, and whistleblowing protection.
- Yellow Cake partners Kazatomprom, Cameco, and Orano have well-developed standards for the health, safety, and well-being of its employees, which are regularly assessed by both regulators and external monitors. In the case of Kazatomprom, the company has taken measures to reduce health and safety incident levels.
- All partners have maintained extensive measures to reduce outbreaks of COVID-19 at their facilities in line with relevant regulations.
- Kazatomprom has increased its investments into employee training as well as health and safety. Though the company is a significant contributor to regional budgets and has close ties with local communities, Kazatomprom should further its work on aligning its social commitments to the UNSDGs.
- Kazatomprom does not infringe upon the human rights of its employees, contractors, or the citizens of the communities where it operates. The company plans to develop a full Policy on Human Rights in 2022.

Governance

- Yellow Cake's Board is committed to corporate governance, with strong attendance and a high frequency of meetings.
- Independent directors comprise 71 per cent of Yellow Cake's Board of Directors.
- Women are strongly represented in the Company, making up 43 per cent of the Board and 50 per cent of management.
- Yellow Cake has a zero-tolerance policy towards corruption, bribery, unethical practices, and anti-competitive behaviour and enlists independent assessors to monitor compliance.
- The Company commissions independent assessments of corporate governance at Kazatomprom as well as associated political risks. These reports have emphasised the need for Kazatomprom to continue on its path of improving governance and introducing greater transparency within its operations.

Environmental, social and governance continued

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

Environment	Social	Governance
• Yellow Cake's primary business serving the nuclear power industry makes it an important participant in the global transition to a carbon-free economy.	• 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.	• Independent directors comprise 71% of Yellow Cake's Board of Directors. There is also strong female representation at Board (43%) and management (50%) level.
• 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.	• Yellow Cake regularly monitors its partners using the Sustainability Accounting Standards Board (SASB) standards and United Nations Sustainable Development Goals (UNSDGs) to ensure the health, safety, and wellbeing of partner employees.	• Yellow Cake's Board is active and engaged, with a high frequency of meetings and strong attendance.
• In the 2022 financial year, Yellow Cake commissioned an independent review of the environmental risks related to its primary supplier, Kazakhstan's state uranium mining company Kazatomprom.		• Yellow Cake has strong policies that minimise the risk of misconduct, including on bribery and corruption, anti-competitive behaviour, money laundering and economic sanctions.
• 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 also commissioned independent reviews of the governance at Kazatomprom and political risks associated with the entity.

CEO statement

Strong investor interest in uranium equities allowed Yellow Cake to raise USD236.6 million through two oversubscribed share placements. The Company purchased an additional 9 million lb of U_3O_8 during the year.

Andre Liebenberg

The past year has been an exciting period for the global uranium market and Yellow Cake. The uranium market appears to have made the transition from a long period of oversupply to a situation of undersupply, with little evidence to suggest that it will rebalance in the foreseeable future. Uranium supply remains under pressure following years of under-investment in developing new resources, continued discipline from major producers not to sell into an oversupplied market and the recent permanent closure of significant production sources in Niger and Australia.

We expect rising global inflation and supply chain disruptions since the start of COVID-19 to lead to increased exploration, development and production costs that will further increase the incentive price of new production. The availability and cost of skilled labour are also becoming major factors in new uranium mine development.

Demand factors strengthened throughout 2021 as nuclear's role in meeting the long-term increase in future energy demand during the transition to a low carbon future is becoming increasingly recognised by governments around the world. Uncertainty regarding US policy issues that overhung the market for the last several years has been removed. The Biden administration's Build Back Better Bill includes significant support to existing nuclear facilities, enrichment programmes and research into advanced reactors.

The high price of fossil fuels and Europe's reliance on Russian natural gas and oil have highlighted energy security as a counterargument against prematurely closing nuclear facilities. Progress in developing advanced reactors and small modular reactors (SMRs) is opening up new opportunities for nuclear by reducing upfront costs and construction times, where most of the lifecycle carbon emissions from nuclear occur. During the year, the world's first commercial SMR started feeding electricity into the grid in China's Shandong province[42].

After many years of limited long-term contracting by nuclear utilities, activity in the term uranium market started to increase as utilities appear to be realising that uranium availability could become an issue by mid-decade.

Improved sentiment drives spot volumes and uranium equities

The shift in the supply/demand dynamic led to improved sentiment and strong demand for uranium investments. Sprott's launch of its uranium trust in mid-2021 raised USD2 billion and enabled purchases of 38.6 million lb in the spot market to date. In October, ANU Energy OEIC Ltd, another physical uranium fund, was launched with plans to raise an initial USD50 million and with the intention to raise

42. *Bloomberg, "New reactor spotlights China's push to lead way in nuclear power", 21 December 2021.*

CEO statement continued

a further USD500 million to be invested in physical uranium. In May 2022, ANU Energy raised an initial USD74 million in its first round of funding, which was USD24 million more than initially planned. Junior uranium producers also entered the spot market to procure uranium in support of long-term contracting strategies and to hold uranium as an investment, acquiring an estimated 6 to 7 million lb, in addition to near-term buying by major producers.

Implications of the Russian invasion

The future impacts on nuclear fuel markets as a result of the economic sanctions against Russia remain uncertain. Recent reported utility data shows that US nuclear utilities relied on Russian origin/sources for 15% of uranium and 22% of uranium enrichment services from 2016 to 2020[38]. US nuclear utilities are reportedly lobbying the US government to continue to allow nuclear fuel imports from Russia to maintain low electricity prices. The EURATOM Supply Agency (ESA) reported that European Union (EU) nuclear utilities had even greater reliance on Russian sources, purchasing over 17% of uranium and 29% of enrichment services over the same five year period (2016–2020)[40].

The direct effect of the war in Ukraine on Yellow Cake's operations and financial position has to this point been limited. All U_3O_8 to which the Company has title and has paid for is held at the Cameco storage facility in Canada and the Orano storage facility in France.

While part of Kazatomprom's production is transported through Russia, the Company is unaware of any restrictions on Kazatomprom's activities related to the supply of its products to Yellow Cake. There are nevertheless risks associated with both transit through the territory of Russia and the delivery of cargo by sea vessels, which could adversely impact future deliveries from Kazatomprom. Kazatomprom have publicly stated that they have an alternative supply route which was established in 2018, should the route through St Petersburg no longer be viable.

The delivery of the contracted 2 million lb of U_3O_8 from Kazatomprom in May 2022 and a further 950,000 lb of U_3O_8 in June 2022 were completed in accordance with agreed schedules. Payment either follows delivery or is managed via escrow, so there is no credit risk for Yellow Cake attached to these deliveries. The Company does not anticipate any restrictions on being able to make further purchases under its option agreement with Kazatomprom should it wish to do so.

Uranium market activity

Spot market volumes in the 2021 calendar year exceeded the record volumes of 2020, reaching approximately 102 million lb of U_3O_8 (CY2020: 95 million lb). Much of this volume was driven by non-utilities, with buying by primary producers, financial funds, trading companies and junior uranium companies accounting for 83% of volumes.

The uranium spot market price started 2021 at USD30.00/lb and ended the year 40% up at USD42.05/lb, after hitting a nine-year high in mid-September of USD50.50/lb. After tracking sideways to slightly down in the first two months of 2022, the spot uranium price rose sharply in the last week of February in response to the Russian invasion of Ukraine. On 31 March 2022, the spot price was USD57.90/lb and decreased to USD45.75 lb by 15 July 2022.

Aggregate long-term uranium contracting in CY2021 increased to around 70 million lb U_3O_8 from 57 million lb in CY2020, but remained at relatively low levels compared to CY2019 (96.2 million lb) and CY2018 (90.5 million lb). Cameco announced that the company had added 70 million lb U_3O_8 to its term contract portfolio since January 2021 with 40 million lb U_3O_8 of that total being finalised in January 2022 alone[43]. Market uncertainty created by the Russian invasion of Ukraine resulted in significant upward pressure on longer-term price indicators with the long-term price increasing by over 23% in the first half of CY2022 and the three-year and five-year forward prices rising by 25% and 28% respectively.

[43] *Cameco 2021 Management's discussion and analysis, 9 February 2022.*

CEO statement continued

Increase in Yellow Cake's U_3O_8 holdings

Strong investor interest in uranium equities allowed Yellow Cake to raise a further USD236.6 million through two oversubscribed share placements in June and October 2021. Together with USD138.5 million raised at the end of the previous financial year, these funds were used to exercise the Kazatomprom 2021 option to acquire USD100 million of uranium and to buy additional uranium from Kazatomprom and in the spot market, increasing Yellow Cake's holdings of U_3O_8 by a further 9 million lb to 18.8 million lb on a *pro forma* basis.

Company share price

The Company's shares ended the 2022 financial year 44% up on the prior year and traded at a premium to net asset value for most of the financial year before dropping below net asset value from mid-January 2022 to year end. The Board approved a share buyback programme in April 2022, which acquired 566,833 ordinary shares, increasing shareholders' exposure to uranium on a per share basis and returning USD3 million.

The fair value of the Company's holding of U_3O_8 increased by USD614.6 million in the year to 31 March 2022. At year-end Yellow Cake's net asset value increased by 154% and net asset value per share increased to GBP 4.42 per share over the period. The Company delivered a net profit after tax for the year of USD417.3 million and ended the year with cash and cash equivalents of USD153.1 million on the balance sheet. The CFO's Review that follows provides more information regarding the Company's financial results for the period.

Stakeholder relationships

We engage with stakeholders, particularly shareholders, investors, analysts and the media, on an ongoing basis through investor conferences, conference calls, investor briefings with industry experts, media briefings and interviews to improve the understanding of the Company and the industry. The June share placement included a retail component that was very well supported and we are pleased with the increased representation of retail shareholders, which in June 2022 comprised 29% of the share register.

Outlook

The then looming disconnect between the medium- to long-term supply of uranium forecast at Yellow Cake's IPO is becoming more widely evident as demand for nuclear energy is increasingly supported by the transition to a low carbon economy and the more immediate need to improve energy security. Even with the run up in spot uranium prices in March 2022, the incentive price for new supply of uranium remains higher and rising as a result of inflation and supply chain disruptions.

With secondary activity resulting in a thinning uranium spot market, increasing concerns about supply security and the diversity of supply portfolios, and long-term contracting still at relatively low levels, we are seeing strong uranium demand from nuclear utilities.

These factors should result in continued strong demand for uranium and support a continued increase in uranium prices. Yellow Cake is well positioned to make the most of opportunities to realise value for investors both through increasing its holding of U_3O_8 and through share buybacks when the share is trading materially below net asset value.

Andre Liebenberg
Chief Executive Officer

CFO's review

The value of Yellow Cake's uranium holding increased during the financial year by USD614.6 million to USD916.7 million as a result of the net acquisition of USD181.3 million of U_3O_8 and an increase in fair value of USD433.3 million.

Carole Whittall

I am pleased to present the following audited financial statements for the year to 31 March 2022 and report a number of highlights:

Following the upsized share placing at the end of the 2021 financial year (USD138.5 million) and the high level of investor interest in uranium, Yellow Cake undertook two more share placements in June (USD86.9 million) and October (USD149.7 million). The proceeds of the three placings were applied to fully exercise the Company's 2021 option to purchase USD100 million of U_3O_8 from Kazatomprom under the Framework Agreement, to purchase additional uranium from Kazatomprom and in the spot market and to fund related expenses and working capital.

From mid-January 2022, the Company's shares traded at a material discount to its underlying net asset value and the Board took the decision in April 2022 to implement a share buyback programme as a means of effectively acquiring exposure to uranium at a discount to the commodity spot price. Under the programme, the Company acquired 566,833 shares after the reporting date at a volume weighted average discount to the Company's *pro forma* net asset value of 10.4%.

Increase in the value of the Company's uranium holding of

USD614.6 million

from USD302.1 million at 31 March 2021 to USD916.7 million at 31 March 2022.

Gross proceeds of

USD236.6 million

from share placings in June and October 2021, in addition to gross proceeds of USD138.5 million from a share placing in March 2021

Concluded purchases of

8.35 million lb

of U_3O_8 during the financial year at an average price of USD34.13/lb and an aggregate consideration of USD284.9 million.

Profit after tax of

USD417.3 million

(2021: USD29.9 million)

CFO's review continued

Uranium transactions

Yellow Cake started the financial year with a holding of 9.86 million lb of U_3O_8. On 28 April 2021, 348,068 lb of U_3O_8 was transferred to Uranium Royalty Corp. under the terms of the subscription agreement entered into at the time of Yellow Cake's IPO in July 2018. On 20 May 2021, Yellow Cake completed the purchase of 343,053 lb of U_3O_8 in the spot market at a price of USD29.15/lb for total consideration of USD10.0 million.

On 21 June 2021, the Company took delivery of 3.45 million lb of U_3O_8 under the terms of the Kazatomprom option exercised in the previous financial year. In July 2021, the Company concluded agreements to purchase a further 550,000 lb of U_3O_8 in the spot market at an average price of USD32.35/lb for a total consideration of USD17.8 million. The Company took delivery of this uranium in July and August 2021.

In November 2021, Yellow Cake purchased 2.0 million lb of U_3O_8 from Curzon Uranium Limited at a price of USD46.32/lb. In October, the Company agreed to purchase 0.95 million lb of U_3O_8 from Kazatomprom at a price of USD47.58/lb, which was delivered on 30 June 2022.

In November 2021, Kazatomprom exercised its Repurchase Option at a price of USD43.25/lb less an aggregate discount of USD6.6 million, and took delivery of 2.02 million lb of U_3O_8 from Yellow Cake. At the same time, Yellow Cake exercised its Buyback Option for the same quantity of uranium at a price of USD43.25/lb and took delivery of the 2.02 million lb of U_3O_8 from Kazatomprom in May 2022. The net impact of the Repurchase Option and Buyback Option transactions was a pay-out by the Company to Kazatomprom of USD6.6 million.

On 4 December 2021, Yellow Cake took delivery of 2.0 million lb of U_3O_8 from Kazatomprom at a price of USD32.23/lb.

As at 31 March 2022, the Company's uranium investment comprised 15.83 million lb of U_3O_8, a net increase of 5.98 million lb of U_3O_8 during the financial year. The completion of agreed purchases post year end resulted in the Company's uranium investment increasing to 18.81 million lb of U_3O_8 on 30 June 2022.

Uranium-related gains

Yellow Cake made total uranium-related gains of USD424.1 million in the year to 31 March 2022 (2021: USD33.9 million). This comprised an increase in the fair value of the Company's uranium investment of USD433.3 million (2021: USD33.4 million), USD0.1 million in location swap fees (2021: USD1.1 million), and a premium to the prevailing spot price of USD0.1 million on the disposal of 0.34 million lb of U_3O_8 to Uranium Royalty Corp. These gains were partially offset by a discount to the prevailing spot price of USD6.1 million on the disposal of 2.02 million lb of U_3O_8 in satisfaction of the Kazatomprom Repurchase Option and an increase in the fair value of a uranium derivative liability related to the Repurchase Option of USD3.2 million (detailed in note 7 of this report).

The increase in the fair value of the Company's uranium investment of USD433.3 million during the year was attributable to:

- an increase of USD13.02/lb in the carrying value of the 2.37 million lb of U_3O_8 sold during the financial year (as the U_3O_8 spot price increased from USD30.65/lb at the beginning of the financial year to an average of USD43.67/lb as at the disposal dates);
- an increase of USD27.25/lb in the carrying value of the 7.48 million lb of U_3O_8 held by the Company during the entire financial year (as the underlying price of U_3O_8 increased from USD30.65/lb to USD57.90/lb over this period); and
- an increase of USD23.77/lb in the carrying value of the additional 8.35 million lb of U_3O_8 acquired by the Company during the financial year for an average price of USD34.13/lb (as the underlying price of U_3O_8 increased to USD57.90/lb as at the end of the financial year).

Operating performance

Yellow Cake delivered profit after tax for the year of USD417.3 million (2021: USD29.9 million).

Expenses for the year of USD6.9 million (2021: USD4.0 million) recognised in the Statement of Comprehensive Income included the following costs:

- USD0.5 million in costs related to Yellow Cake's share placings (2021: USD0.7 million);
- USD1.9 million in commissions payable to 308 Services Limited in relation to the purchases by Yellow Cake of U_3O_8 (2021: USD0.3 million); and
- Operating costs of a recurring nature of USD4.5 million (2021: USD2.9 million), comprising.

CFO's review continued

- Procurement and market consultancy fees (holding fees and storage incentive fees) paid to 308 Services Limited of USD2.1 million (2021: USD1.1 million) (detailed in note 12); and
- Other operating costs of USD2.4 million (2021: USD1.7 million).

Operating expenses of a recurring nature of USD4.5 million represent approximately 0.4% of the Company's net asset value as at 31 March 2022 (2021: 0.7%).

Share buyback programme

In April 2022, Yellow Cake announced the initiation of a share buyback programme to purchase up to USD3 million of the Company's ordinary shares commencing on 4 April 2022. Given that the Company's shares had traded at a material discount to its underlying net asset value since mid-January 2022, the Yellow Cake Board resolved to implement a share buyback programme as a means of effectively acquiring exposure to uranium at a discount to the uranium spot price. Shares were purchased when the closing mid-market share price of the Company in any given day represented a discount of 10% or more to the Company's *pro forma* net asset value at that time.

Under the programme, the Company acquired 566,833 shares between 4 April and 6 May 2022, at a volume weighted average price of GBP4.15 per share and at a volume weighted average discount to the Company's *pro forma* net asset value of 10.4%. The shares repurchased are held in treasury.

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

Share placings

On 21 June 2021 the Company issued 23,947,009 new ordinary shares to existing and new institutional investors and 1,052,991 new ordinary shares to retail investors, at a price of GBP2.50 per share, equal to a 1% premium to the Company's estimated net asset value per share at the date of the offering. The Company raised net proceeds of GBP60.6 million (USD equivalent: USD84.0 million net of costs of USD2.9 million). In October 2021, Yellow Cake successfully completed an issue of a further 30 million new ordinary shares to existing and new institutional shareholders at a price of GBP3.64 per share, equal to a 1% premium to the Company's estimated net asset value per share at the date of the offering. The issue raised net proceeds of GBP106.0 million (USD145.7 million).

Balance sheet and cash flow

The share placings in March, June and October 2021 raised net proceeds of USD363.9 million and USD284.9 million was applied to purchasing uranium during the financial year, while USD45.2 million was applied to purchasing uranium post-year end. In November 2021, Yellow Cake sold 2.02 million lb of U_3O_8 in satisfaction of the Kazatomprom Repurchase Option and received a cash consideration of USD80.9 million. Following the exercise of its Buyback Option, the Company purchased the same quantity of uranium from Kazatomprom for USD87.5 million in May 2022.

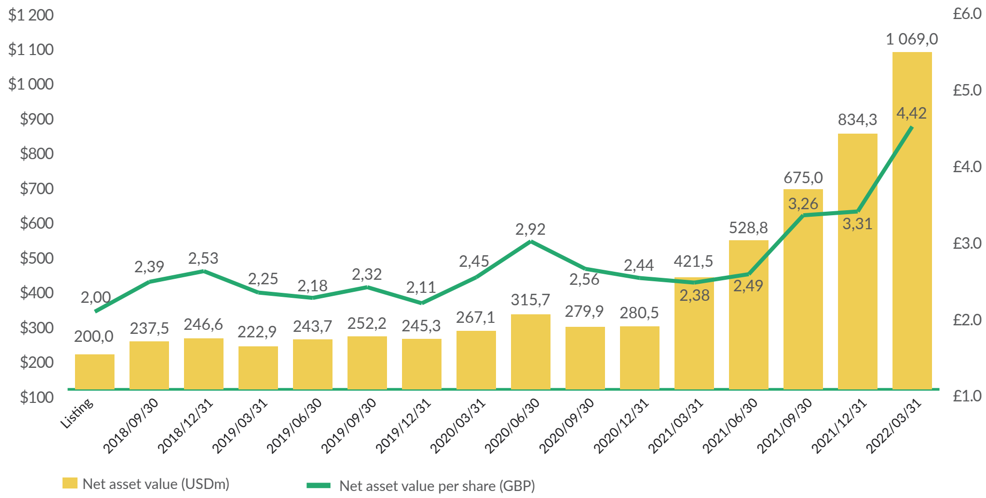
CFO's review continued

The value of Yellow Cake's uranium holding increased by 203% to USD916.7 million at year-end compared to USD302.1 million at the end of the 2021 financial year, as a result of the appreciation in the uranium price and a net increase in the volume of uranium held. As at 31 March 2022, Yellow Cake had cash of USD153.1 million (2021: USD126.2 million).

Yellow Cake's net asset value at 31 March 2022 was GBP 4.42 per share[44] or USD1,069.0 million, consisting of 15.83 million lb of U_3O_8 valued at a spot price of USD57.90/lb, cash and cash equivalents of USD153.1 million and other net current assets and liabilities of USD0.9 million.

Yellow Cake's estimated net asset value on 15 July 2022 was USD877.0 million or GBP4.04 per share[46], consisting of 18.81 million lb[45] of U_3O_8 valued at the daily price of USD45.75/lb published by UxC LLC on 15 July 2022, cash and cash equivalents of USD153.1 million and other net current assets and liabilities of USD0.9 million as at 31 March 2022, less the consideration of USD132.7 million paid for purchases completed after the end of the financial year, less USD3.0 million incurred under the share buyback programme after financial year-end.

Net asset value (NAV) and NAV per share



Carole Whittall
Chief Financial Officer

44. *Net asset value per share on 31 March 2022 is calculated assuming 187,740,730 ordinary shares in issue less 4,069,498 shares held in treasury, the Bank of England's daily USD/GBP exchange rate of 1.3162 on 31 March 2022 and the daily spot price published by UxC LLC on 31 March 2022.*

45. *As at 31 March 2022, Yellow Cake held 15,832,755 lb of U_3O_8. Adjustments for purchases completed after 31 March 2022 include the addition of 2.02 million lb of U_3O_8 bought back from Kazatomprom for a cash consideration of US$87.5 million and received on 19 May 2022, and 0.95 million lb of U_3O_8 purchased from Kazatomprom for a cash consideration of US$45.2 million and received on 30 June 2022.*

46. *Net asset value per share on 15 July 2022 is calculated assuming 187,740,730 ordinary shares in issue less 4,636,331 shares held in treasury, a daily USD/GBP exchange rate of 1.1855 and the daily spot price published by UxC LLC on 15 July 2022.*

Risk management

How we manage risk in our business

The Board sets Yellow Cake's business strategy and has overall responsibility for risk assessment. The Company's approach to risk management aims to mitigate risk to an acceptable level to execute the 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, with input from the external auditor regarding issues identified during its engagement, particularly feedback relating to any control weaknesses and the responses from management to these issues.

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

Principal risks and uncertainties

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

Operational risks	Geopolitical risks	Corporate risks	Industry risks	Environmental, social and governance risks	Financial risks
1. Counterparty risk	5. Geopolitical developments	6. Key personnel	8. Regulatory regime	10. Environmental risk	13. Uranium price risk
2. Cash flow risk		7. Key service providers	9. Industry	11. Social risk	14. Foreign exchange risk
3. Operating risk				12. Governance	15. Taxation risk
4. COVID-19 risk					

Changes to the 2022 risk register

The risk review during the year resulted in the following changes to the 2022 risk register:

- The description of Risk 4 (COVID-19) was updated for developments in the pandemic and its impact on the industry and the Company. The risk rating was downgraded from High to Medium.
- Geopolitical developments (Risks 5a and b) were added following Russia's invasion of Ukraine.
- Governance risk (Risk 12) was split into governance risk (12a) and bribery and corruption risk (12b).

Risk management continued

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

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

Risk management continued

Nature and impact of risk		How we manage the risk	Risk level
2.	**Cash flow risk** Yellow Cake may, in the future, have insufficient funds to pay operating expenses.	The Company continues to review and evaluate opportunities related to the ownership of uranium and other uranium-related activities, and may, from time to time, enter into transactions or arrangements which generate cash to support the Company's business. The Company is unlevered and seeks to maintain sufficient working capital to fund its ongoing operations. The Company has the right to sell, trade, lend, or otherwise commercialise some of its holdings of uranium in a manner which would provide cash to support its operations.	Medium
3.	**Operating risk** The Company does not currently have any operating risk associated with the development or operation of primary or secondary mining operations, nor does the Company face risks associated with the transportation of uranium. As the Company reviews streaming, royalty or other opportunities, the Company may, should it choose to proceed with such opportunities, be exposed to certain operating risks to which the counterparties to the Company in such agreements are themselves exposed. The Company's operating risk relates primarily to the execution of purchase and sale transactions and other commercial contracts.	During the review and diligence phase of evaluating potential opportunities the Company considers potential risks and identifies ways to mitigate these potential risks. Where potential risks are identified the Company will use appropriate contractual mechanisms to protect its interests. Additionally, the Company may choose to price in risk which cannot be mitigated in order to ensure that the risk/reward balance is appropriate.	Low
4.	**COVID-19** The COVID-19 pandemic disrupted uranium mining in 2020 and 2021, and has had an effect on global supply chains. Future waves that result in an extended shutdown could affect the Company's business model, ability to access capital and continue in business.	The Company's day-to-day operations have not been affected by COVID-19, given that Yellow Cake has no physical operations and the executive team is already home-based. As at 31 March 2022, Yellow Cake had sufficient cash balances to meet approximately two years of working capital requirements, after taking into account commitments to purchase USD132.7 million worth of U_3O_8 after the year end and a share buyback programme completed after the year end, before it would need to raise additional funds for working capital. The Company has no debt or hedges on the balance sheet. It is possible that COVID-19 impacts on Kazatomprom's mining operations could cause longer lead times for Yellow Cake's uranium purchases.	Medium

Risk management continued

Nature and impact of risk	How we manage the risk	Risk level
Geopolitical risks		
5(a). **Geopolitical developments** The stringent economic sanctions imposed by the European Union and United States on Russian companies and individuals have to date not directly impacted the global nuclear fuel trade, although the situation continues to evolve. The future impacts on nuclear fuel markets as a result of the economic sanctions against Russia remain uncertain. The risk exists that secondary sanctions could be imposed on the Company's suppliers, precluding future purchases from these sources.	Kazatomprom has business relationships with Rosatom, including a 50% interest in a joint venture with Rosatom's Uranium One in respect of the Budenovskoye uranium deposit, and a uranium processing agreement with the Uranium Enrichment Centre, located in Russia. Sanctions imposed by various countries against Russia have not directly affected the uranium and nuclear industry to date. However, it is understood that Kazatomprom has mitigation plans with regards to these business interests. The risk of secondary sanctions applying to Kazatomprom is therefore considered low.	High
(b). Some of Kazatomprom's products are transported through the Russian Federation. At present the Company is unaware of any restrictions related to the supply of products to end customers. However, such restrictions may apply in future.	It is understood that around 50% of Kazatomprom's attributable production is shipped to western convertors in large part via St Petersburg, and this route continues to operate. However, Kazatomprom has advised that it has developed an alternative trans-Caspian transport route, which completely excludes Russian territory. Logistics constraints may impact future delivery schedules.	High
Corporate risks		
6. **Key personnel** The Company is reliant on its Executive Directors and other key personnel. Any change to the Company's management and service providers may have a negative impact on its business.	The Company believes that its executive team, as well as the Board of Directors are dedicated to the long-term growth of the Company. However, in the event that any of these persons elects to leave the Company or discontinue provision of services, the Company is confident in its ability to find suitable replacements.	Low
7. **Key service providers** The Services Agreement with 308 Services Limited may be terminated by either party on one year's notice.	The Company believes that its advisers in 308 Services Limited are dedicated to the long-term growth of the Company. The Company does not expect that 308 Services Limited will elect to terminate its contract; however, in the event that such an event were to occur, the Company is confident in the ability of its executive management to find a suitable replacement. Additionally, the Company has the benefit of, and is the direct counterparty to its purchase contract with Kazatomprom and its storage contracts with Cameco and Orano. 308 Services is not a party to these agreements.	Low

Risk management continued

Nature and impact of risk	How we manage the risk	Risk level
Industry risks		
8. 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
9. Industry The Company's operations are focused around uranium and uranium-related activities. Nuclear accidents could impact the future prospects for nuclear power, the key source of demand for U_3O_8.	The nuclear industry operates with one of the highest margins of safety in the world, with a number of safeguards and redundancies built into processes in order to reduce public health and safety risks. There are limited steps that the Company can undertake to impact the activities of other companies.	High

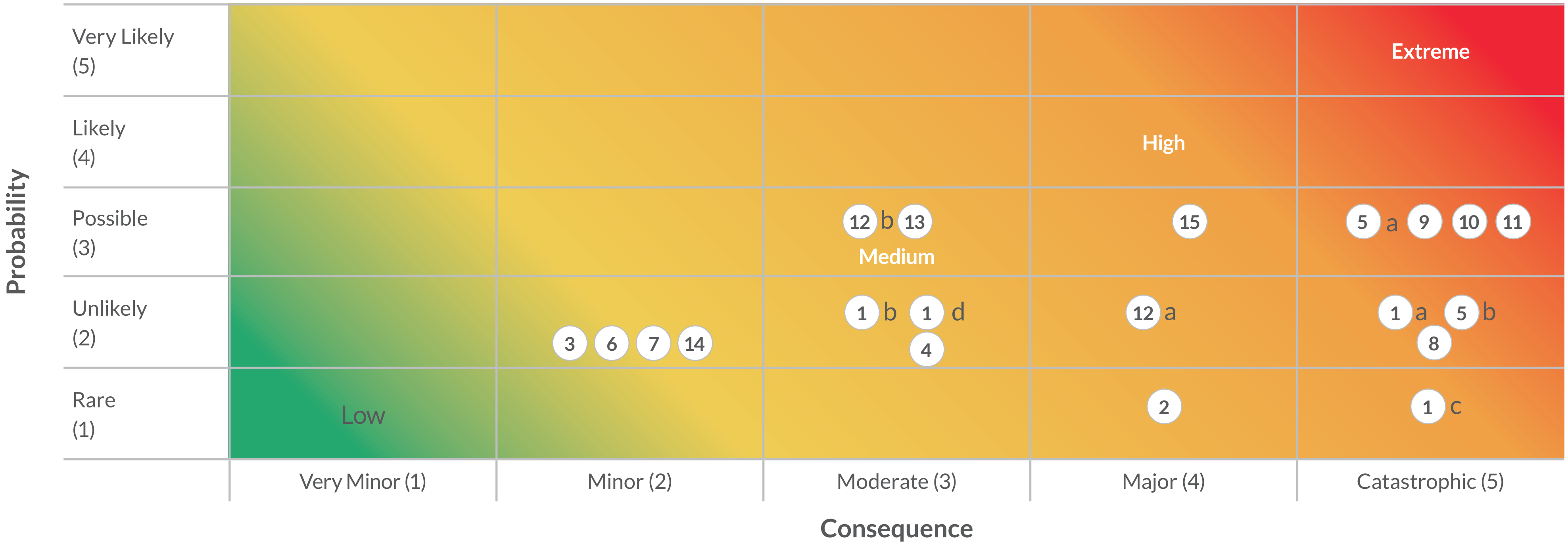
Risk management continued

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

Risk management continued

Nature and impact of risk	How we manage the risk	Risk level
12(a). **Governance** Yellow Cake is exposed indirectly to governance risk via Kazatomprom being based in Kazakhstan, a country which could be affected by political instability. As Kazatomprom is a State-Owned Enterprise, a change in the political leadership could negatively impact its corporate governance record should Kazatomprom's management and board become less independent. There is a risk that political instability could also initiate a challenge to contracts held between the Company and Kazatomprom.	Kazatomprom is listed on the FCA's standard list in the UK. It is not required to comply with the UK Corporate Governance Code, although it is required to comply with relevant provisions of the FCA's Listing Rules and the Disclosure and Transparency Rules. Yellow Cake complies with the UK Corporate Governance Code insofar as appropriate given the Company's size, business, stage of development and resources, explains areas of non-compliance in its Annual Report, and regularly assesses its chief supplier Kazatomprom's corporate governance practices. The Company does not have assets in Kazakhstan and any deterioration in governance of Kazatomprom is only likely to impact on the future of its uranium supply contract. Yellow Cake closely monitors the extent of political risk and its effect on Kazatomprom's corporate governance performance. Yellow Cake's Supplier Standards Policy sets out the Company's position and expectation of its suppliers regarding their environmental, social and governance practices.	Medium
(b). 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.	Relations with suppliers is overseen by Yellow Cake's management and board, who are informed by regular due diligence. The Company has a zero tolerance towards bribery and corruption. In terms of the Economic Sanctions Policy approved by the Board in June 2022, counterparties, connected parties and the ultimate source of uranium in a transaction are subject to risk-based due diligence to identify money laundering and economic sanctions risks.	Medium
Financial risks		
13. **Uranium price** The uranium price is volatile and affected by factors beyond the Company's control. A protracted period of weak uranium prices may limit the Company's ability to raise capital or fund itself.	The Company believes that uranium is structurally underpriced, and while the price may be volatile in the short term, over a longer time frame the Company believes the price of uranium will increase. The Company retains sufficient working capital to support its operations through short-term fluctuations. If necessary, the Company could realise some of its uranium inventory to fund working capital.	Medium
14. **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
15. **Taxation** Changes in the tax position of the Company 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	
1 a	Counterparty risk
1 c	Counterparty risk
5 a	Geopolitical risk
5 b	Geopolitical risk
8	Regulatory regime
9	Industry risk
10	Environmental risk
11	Social risk
15	Taxation risk

Medium Risk	
1 b	Counterparty risk
1 d	Counterparty risk
2	Cash flow risk
4	COVID-19
12 a	Governance risk
12 b	Governance risk
13	Uranium price risk

Low Risk	
3	Operating risk
6	Key personnel
7	Key service providers
14	Foreign exchange risk

Risk management continued

Viability

The ultimate success of Yellow Cake depends on its ability to accretively grow its uranium holdings. Given the nature of the Company's operations, which are not significantly income generative, the Company relies on the proceeds of its regular capital raises to acquire uranium and also to set aside sufficient cash to meet approximately three years' working capital requirements.

The Directors' assessment of the Company's viability covered a three-year period to March 2025, which the Directors believe is an appropriate timescale for existing and potential risks and opportunities to crystalise. The choice of a three-year viability period is also related to our policy to generally retain up to three years of working capital requirements following each equity raise. Our cost forecasts are therefore also carried out on the basis of this time horizon.

The viability statement focusses on the existing business of the Company and its ability to meet current 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 Directors consider that within a three-year time horizon, the Company can reasonably expect to secure additional working capital as required through further equity issuances, debt or the realisation of a portion of its uranium holdings.

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 31 to 38 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 ongoing impact of COVID-19 and geopolitical developments in Russia and Ukraine. 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.

The Company prepares detailed annual budgets against which performance is assessed and regularly reviews its medium-term working capital projections. Cash balances are usually retained sufficient to cover at least three years' working capital requirements following a placing of shares or other capital raise. Following the Company's most recent equity issuance in October 2021, the Board resolved in April 2022 to apply USD3 million to a share buyback programme to purchase the Company's shares at a discount to net asset value, thus retaining a lower amount of working capital.

As at 31 March 2022, Yellow Cake had sufficient cash balances to meet approximately two years of working capital requirements, after taking into account commitments to purchase USD132.7 million worth of U_3O_8 after the year end and the share buyback programme completed after the year end, before it would need to raise additional funds for working capital. The Company has no debt or hedges on the balance sheet. The Company's operating expenses are in part linked to the underlying price of uranium. A 10% increase in the U_3O_8 price would increase the Company's operating expenses by approximately 3% and reduce the Company's estimated working capital balance by less than a month.

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 2025.

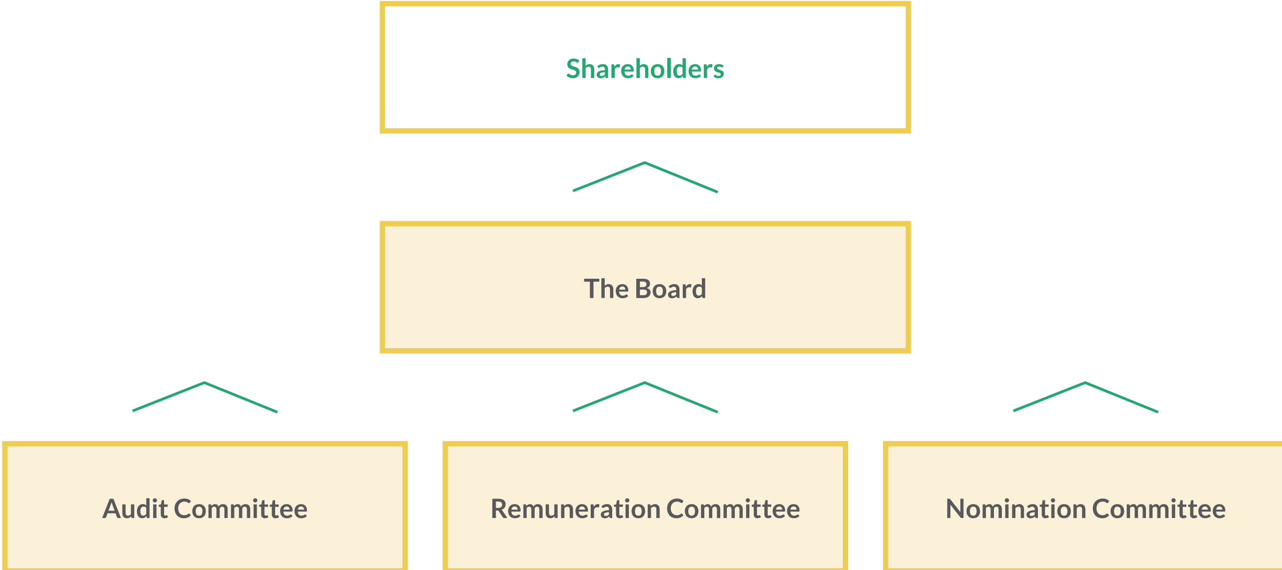
Corporate governance report

Yellow Cake plc has elected to comply with the principles and provisions of the UK Corporate Governance Code 2018 (the "Code") insofar as appropriate given the Company's size, business, stage of development and resources. As Yellow Cake's business continues to evolve, the Company will seek to ensure that its governance processes and procedures evolve appropriately and in a manner that protects the interests of the Company and its shareholders.

Jersey law places a range of obligations and responsibilities on the directors of a Jersey company, which arise principally under Jersey customary law, under the Companies (Jersey) Law 1991 and under the Company's articles of association (the "Articles").

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 is supported by, and delegates certain matters to, the Audit, Remuneration and Nomination Committees.



Board of directors

Non-Executive Directors





The Lord St John of Bletso (65)
Independent Non-Executive Director and Chairman

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 20 years in the City of London. He serves as a director and adviser to several UK listed and unlisted companies, including IDH plc and Smithson Investment Trust.

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

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

Sofia Bianchi (65)
Independent Non-Executive Director

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. As a company director she has been advising boards on strategy, value creation, corporate finance, corporate governance and ESG.

Sofia Bianchi has held several independent non-executive directorships. Among others she was the Chair of the corporate governance and nominating committee at Endeavour Mining plc from 2019 to 2022 and she also served on the board of Kenmare Resources plc as senior independent director from 2008 to 2017.

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

The Hon Alexander Downer (70)
Independent Non-Executive Director

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. He is Executive Chair of the International School for Government at King's College London.

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

Alan Rule (60)
Independent Non-Executive Director

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 recently stepped down 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.

Emily Manning (34)
Independent Non-Executive Director

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

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

Board of directors

Executive Directors

Andre Liebenberg (60)
Executive Director and Chief Executive Officer

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

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

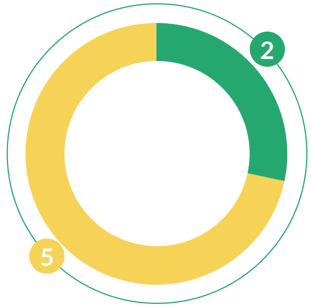
He holds a Bachelor of Science (B.Sc) Elec. Eng. from the University of Cape Town and a Master in Business Administration (MBA) from the University of Cape Town.

Carole Whittall (50)
Executive Director and Chief Financial Officer

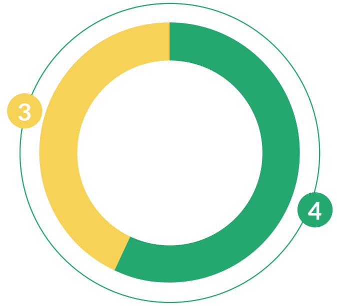
Carole Whittall is a director and co-founder of Mining Strategies Limited, which provides M&A and transaction advisory services to the metals and mining sector. She has 25 years' management, corporate finance and mergers and acquisitions experience in the metals and mining sector. Most recently, she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

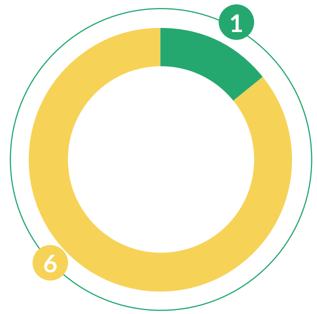
Board Composition



Board Diversity



Board Tenure



Corporate governance report continued

Compliance with the Code

The Company considers that it was compliant with the majority of the provisions of the Code during the year to 31 March 2022. The following table references where the Company's application of the Code's principles are available in this report and explains areas of non-compliance, which mainly reflect the Company's current size, stage of development and the scale and complexity of its activities. The Company's Board of Directors (the "Board") keeps any instances of non-compliance under review.

Part 1: Board leadership and company purpose	
References	**Areas of non-compliance**
The **Governance structure** section on pages 40 to 49 provides information regarding the members, structure and activities of the Board.	**Provision 5** – Yellow Cake's workforce comprises its two Executive Directors and it is consequently not considered necessary to establish formal mechanisms for engagement with the Company's workforce. Yellow Cake's Remuneration Committee is responsible for monitoring the size and nature of the Company's workforce to determine, among other things, the appropriate level of engagement required by the Company with its workforce and whether the role and responsibilities of that committee should be expanded to include consideration of additional workforce-related matters. If Yellow Cake's workforce increased significantly in the future, the Company would favour mandating one of its Non-Executive Directors with responsibility for representing the interests of the workforce (alongside their other duties).

Part 2: Division of responsibilities	
References	**Areas of non-compliance**
The **Division of responsibilities** section on page 50 contains information on the division of responsibilities among the Board.	**Provision 12** – The Board does not consider it necessary or desirable to appoint a Senior Independent Director at this stage, given the scale and complexity of the Company's activities. Those actions set out in the Code to be taken by a Senior Independent Director, including the recommendation that the Non-Executive Directors should meet at least annually with the Senior Independent Director without the chair present to appraise the chair's performance, will be taken by the Board as a whole. **Provision 13** – While the Chairman will hold meetings with the Non-Executive Directors without the Executive Directors present as and when appropriate and required, it is not currently anticipated that such meetings will take place on a regular basis due to the scale and complexity of the Company's current activities. **Provision 15** – The Company does not require individual Directors to seek prior approval of the Board before undertaking additional external appointments. This is due to the nature and extent of the Company's activities, the relatively few Board meetings held each year and the benefit to the Company of directors' complementary roles in the sector. Such appointments are 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.

Corporate governance report continued

Part 3: Composition, succession and evaluation	
References	**Areas of non-compliance**
More information regarding the Board's composition, succession and evaluation are available in the **Governance structure** section on pages 40 to 49 as well as in the discussion of the **Nomination Committee** on pages 51 and 52.	**Provision 21** – The Directors complete annual self-assessments to appraise the performance of the Board as a whole and feedback from the results is implemented, where relevant. Given the Company's size, stage of development and the scale and complexity of its activities, the Company does not consider it necessary at this point to conduct an externally facilitated board evaluation. The Board may also undergo periodic informal assessment processes. Each of the Audit, Remuneration and Nomination Committees reviews its effectiveness annually, in accordance with their terms of reference.

Part 4: Audit, risk and internal control	
References	**Areas of non-compliance**
The role of the Board in this area is primarily shown in the **Report of the Audit Committee** on page 53, 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 39.	**Provision 25** – The Company does not currently have an internal audit function due to the current size and complexity of its activities. The decision as to whether or not to establish an internal audit function shall be made by the Board upon the recommendation of the Audit Committee. The Audit Committee considers annually whether there is a need for an internal audit function, taking into account the growth of the Company, the scale, diversity and complexity of the Company's activities and the number of employees, as well as cost and benefit considerations.

Part 5: Remuneration	
References	**Areas of non-compliance**
Pages 55 to 62 disclose the Company's **remuneration policy** and the **Report of the Remuneration Committee**.	**Provision 33** – The Remuneration Committee does not conduct a separate review of workforce remuneration and related policies and the alignment of incentives and rewards with culture as Yellow Cake's workforce currently comprises its two Executive Directors. Yellow Cake's Remuneration Committee has been mandated to monitor the size and nature of the Company's workforce in order to determine, among other things, whether the role and responsibilities of the Remuneration Committee should be expanded to include consideration of additional workforce-related matters.

Corporate governance report continued

Roles and responsibilities

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

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

The Board is led by the Chairman and comprises two Executive Directors (the CEO and the CFO) and five Independent Non-Executive Directors (including the Chairman). In the year to 31 March 2022, at least half of the board, excluding the Chairman, was made up of Independent Non-Executive Directors.

Directors

• The Lord St John of Bletso (Chairman)	Independent Non-Executive Director
• Sofia Bianchi	Independent Non-Executive Director
• The Hon Alexander Downer	Independent Non-Executive Director
• Emily Manning	Independent Non-Executive Director
• 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 41 and 42.

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 2022, the Board met 10 times.

Meeting attendance	Date of appointment	Board	Audit Committee	Remuneration Committee	Nomination Committee	Attendance percentage
Number of meetings		10	2	4	1	
The Lord St John of Bletso (Chairman)	1 June 2018	10	N/A	3	1	93%
Sofia Bianchi	1 June 2018	10	2	4	1	100%
The Hon Alexander Downer	1 June 2018	9	2	4	1	94%
Emily Manning	31 March 2021	9	1	4	1	94%
Alan Rule	1 June 2018	10	2	4	1	100%
Andre Liebenberg (CEO)	1 June 2018	10	N/A	N/A	N/A	100%
Carole Whittall (CFO)	1 June 2018	10	N/A	N/A	N/A	100%
Attendance percentage		97%	100%	95%	100%	

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

Corporate governance report continued

Board focus areas in 2021/2022

The primary focus of Board deliberations during the 2022 financial year included:

- Review and approval of the decision to place additional shares in June and October 2021 and to apply the proceeds to purchase additional uranium;
- Review and approval of the 2021 financial statements and the decision to not declare a dividend for the year;
- Review and approval of the share buyback programme that commenced in April 2022;
- Review of the Company's strategy in the context of prevailing conditions and the outlook for the uranium market; and
- Assessment of the independence of Ms Manning following engagements with shareholders that voted against her re-election at the Annual General Meeting (see page 49).

Board appointments and succession planning

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

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

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

Directors' development

A comprehensive set of policies and manuals on regulatory and compliance matters is in place and has been adopted by the Board. The Directors received training on regulatory and compliance matters ahead of the Company's admission to AIM in 2018 and set aside time at least once annually at their regular Board meetings for supplementary training and updates. Directors undergo a formal induction process on appointment, have access to the Company Secretary and are entitled to seek professional advice at the Company's expense in connection with the affairs of the Company or the discharge of their Directors' duties. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

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

Ethics and integrity

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

A whistleblowing policy is in place that sets out the Company's commitment to conducting its business openly and honestly, encourages all staff to report any wrongdoing that falls short of the Company's standards and commits the Company to treat all such disclosures in a confidential and sensitive manner. The policy outlines the protection and support available for whistleblowers. As Yellow Cake's workforce comprises two Executive Directors (the CEO and CFO), there is currently no separate whistleblowing channel in place as these Directors can raise any concerns directly with the Audit Committee and Board.

Conflicts of interest

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

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

Corporate governance report continued

Regulatory matters

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

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

Anti-money laundering, anti-bribery and corruption policy

Yellow Cake is committed to acting professionally, fairly and with integrity in all business dealings and relationships, and has a zero-tolerance for bribery and corrupt activities. The Company recognises the importance of preventing money laundering and terrorism financing and is committed to the highest standards of anti-money laundering and combating terrorist financing.

Economic sanctions and money laundering

It is Yellow Cake's policy to comply with all applicable requirements of economic sanctions and trade control laws and regulations. All counterparties and connected parties will be screened through risk-based due diligence on an ongoing basis and before the Company enters into a counterparty relationship or engages in a transaction. The screening aims to identify money laundering or economic sanctions risk by identifying persons who are blocked or subject to economic sanctions restrictions maintained by the United Kingdom, European Union, United States or the United Nations Security Council. The Company may also screen the ultimate source of uranium in a transaction and other persons with whom the Company has dealings.

Diversity and inclusion

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

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

43% of Yellow Cake Directors are women, including the Chief Financial Officer, and the Company therefore exceeds the gender diversity requirements proposed by the UK Financial Conduct Authority.

Risk management

Prudent and effective controls are in place to assess and manage risks effectively, supported by appropriate measures for whistleblowing and to manage conflicts of interest. The Board has overall responsibility for the Company's risk management and determines the nature and extent of the principal risks the Company is willing to accept to achieve its long-term strategic objectives. The Audit Committee is 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 31 to 38 and on page 64.

Corporate governance report continued

Shareholders and other stakeholders

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

Yellow Cake's stakeholders include its shareholders, investors, analysts, employees (the Company's two Executive Directors), regulators, suppliers and customers. In performing their duties, the Directors consider and aim to act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the UK Companies Act, 2006 and Article 74(1) of the Companies (Jersey) Law 1991). In particular, the Board considers the following:

- The likely long-term consequences of any decision. As described in the Viability Statement on page 39, 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 approximately three years' working capital requirements following a placing of shares or other capital raise.
- The interests of the Company's employees. Our talented, experienced and motivated Executive Directors (being the only employees of the Company) are key to the success of our Company. Yellow Cake is committed to employing a diverse and balanced team to ensure an effective and talented workforce at all levels of the organisation, including the Board. The value we place on equal opportunities and diversity of ideas, skills, knowledge, experience, culture, ethnicity and gender is evident in our daily operations and formalised in our policies and procedures. Our recruitment policy is to appoint individuals based on their skills, experience and suitability to the role, as well as their contribution to promoting diversity in the workforce.
- The need to foster the Company's business relationships with suppliers, customers and others. Our focus on long-term strategic thinking, and ability to foster close working relationships with our key strategic suppliers and advisers, in particular Kazatomprom, enable Yellow Cake to build deep and valuable relationships that help us to fulfil our strategy. Refer to page 19 for more information on Yellow Cake's key business relationships.
- The impact of the Company's activities on society, the environment and Yellow Cake's reputation. Due to the nature of the Company's activities, its direct social and environmental impact is minimal. The Board nevertheless conducts due diligence on the Company's suppliers and business partners to ensure that they take a responsible approach to governance and environmental, social and ethical practices. Further information can be found on pages 20 to 23.
- The importance of maintaining the Company's reputation for high standards of business conduct. Yellow Cake is a Jersey-incorporated, Jersey tax domiciled Company which is quoted on AIM. Notwithstanding the reduced requirements of an AIM listing, we are committed to complying with the applicable regulatory requirements in both Jersey and the UK, and operating to high standards of corporate governance. This Corporate Governance report illustrates how the Board and its Committees support business activities while maintaining a strong governance culture.
- The need to act fairly between members of the Company. The Board of Directors is committed to behaving in a responsible manner toward our shareholders and treating them fairly and equally, so they too may benefit from the successful delivery of our strategy. The Chairman and Non-Executive Directors meet regularly as part of the Board's responsibility to ensure all shareholders are treated equally.

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

Corporate governance report continued

will follow the consultation and other requirements set out in the Code. At the 2021 Annual General Meeting held on 8 September 2021, all but one of the resolutions were passed with more than 80% shareholder approval.

2021 Director re-election

As announced following the Annual General Meeting, the resolution for the re-election of Emily Manning to the Board of the Company received less than 80% of votes in favour. In accordance with the recommendations of the Code, Yellow Cake approached major shareholders representing 90% of the votes cast against the resolution to understand their specific concerns.

The Company did not receive any substantive feedback from the major shareholders but understands that their votes were primarily influenced by the proxy analysis report released by ISS, the proxy advisor, ahead of the AGM. ISS reported that they considered Emily Manning to be non-independent because she is the Client Director at Langham Hall Fund Management (Jersey) Ltd ("Langham Hall"), which has an administration agreement with Yellow Cake and was paid USD173,802 for services provided during the 2021 financial year. ISS further noted that Ms Manning sat on the Audit and Remuneration Committees and it is not UK best practice for non-independent directors to sit on such committees for a company of this size.

The Board undertook a rigorous evaluation to assess the independence of Ms Manning, including (but not limited to) a review of each of the seven indicators of non-independence outlined in Provision 10 of the Code. In particular, the Board noted that Yellow Cake's business relationship with Langham Hall is not of a particularly material nature to Langham Hall, that Ms Manning is not a shareholder, partner or executive director of Langham Hall, that she does not directly benefit from any fees paid by the Company to Langham Hall and that no element of Ms Manning's compensation from Langham Hall is tied to her role as a director of Yellow Cake.

Following the evaluation, the Board remains of the opinion that Ms Manning is independent of both character and judgment, and that she makes a valuable contribution to Board discussions while also providing effective challenge to management and the wider Board. Further, her 12 years of experience in the Jersey finance industry as well as her comprehensive knowledge of the running and regulations of Jersey structures make her a very suitable director and member of the Audit and Remuneration Committees. Nevertheless, the Board recognises that certain significant investors place reliance on the recommendations of ISS with regards to voting decisions. Ms Manning has therefore retired from the Audit and Remuneration Committees but remains a Director of the Company.

General meetings

The upsized share placing of circa USD140 million in March 2021 almost fully utilised the Company's authorities to allot and issue new shares obtained at the Annual General Meeting in 2020, which restricted its ability to issue further new shares on an opportunistic basis prior to the renewal of the annual authorities at its 2021 Annual General Meeting. A General Meeting was held on 10 June 2021 at which the requisite shareholder approval was achieved to renew authorities to allot up to 25 million new ordinary shares prior to the Annual General Meeting in September 2021. On 17 June 2021, the Company announced that an additional 25 million new ordinary shares were issued, raising gross proceeds of USD86.9 million. On 27 October 2021, Yellow Cake announced that 30 million new ordinary shares were placed, raising USD149.7 million. The proceeds of both placings allowed the Company to take advantage of very favourable market conditions for uranium to increase its holdings of U_3O_8.

The October placement substantially utilised the Company's authorities to allot and issue new shares obtained at the 2021 Annual General Meeting, limiting its ability to fully exercise its 2022 option with Kazatomprom and to make further spot market purchases prior to the Company's 2022 Annual General Meeting, expected to be held in September 2022. Yellow Cake accordingly announced a General Meeting that was held on 27 January 2022, at which the requisite shareholder approval was achieved to renew the Company's allotment authorities to ensure that it can fully exercise its 2022 option with Kazatomprom and to act opportunistically should it identify further opportunities in the market for the purchase of additional uranium.

Annual general meeting

Yellow Cake's 2022 Annual General Meeting will be held at 10:30 a.m. on 7 September 2022 at St Brelade's Bay Hotel, La Route de la Baie, St Brelade, Jersey CI, JE3 8EF. The notice of the Annual General Meeting will be available on our website and includes the full text of the separate resolutions proposed in respect of each substantive issue, together with accompanying explanatory notes and important information.

Corporate governance report continued

Division of responsibilities

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

Role and responsibilities of the Chairman	Role and responsibilities of the CEO	Role and responsibilities of the CFO
• Leads the Board and is responsible for its effectiveness, including by facilitating active participation by all members of the Board; • Ensures effective communication between the Directors more generally to promote a culture of openness and debate; • Ensures that the Board has the necessary information to fulfil its duties and that Board meetings are effectively run; • Promotes and oversees the highest standards of corporate governance; and • Provides support and counsel to the CEO and CFO if requested.	• Sets corporate strategy and the direction of the Company, in conjunction with the Board; • Organises the day-to-day operations of the Company; • Oversees risk management; • Manages corporate actions; • Ensures that the Company maintains compliance with all relevant regulatory bodies; and • 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.	• Has overall responsibility for financial reporting, including budgets, monthly reports and annual accounts; • Sets the Company's tax policy; • Maintains adequate control procedures; • Supports the CEO regarding risk management, compliance and corporate actions; and • Also plays a key role in stakeholder engagement initiatives.

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

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

Company Secretary

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

Board committees

The terms of reference of the three Board 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.

Corporate governance report continued

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

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

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

Emily Manning was appointed to the Audit Committee on 28 April 2021 and retired from the Committee on 1 March 2022, as discussed on page 49.

The Audit Committee meets at least twice each financial year and has unrestricted access to the Company's auditor. During the year under review, the committee met twice and attendance is shown on page 45.

More information on the roles and responsibilities of the Audit Committee and its activities during the year to 31 March 2022 is available in the Report of the Audit Committee on pages 53 and 54.

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
Alan Rule	Independent Non-Executive Director

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

The Remuneration Committee comprises four 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.

Emily Manning was appointed to the Remuneration Committee on 28 April 2021 and retired from the committee on 8 September 2021, as discussed on page 49.

More information on the roles and responsibilities of the Remuneration Committee and its activities during the year is available in the Director's Remuneration Report on page 55.

Nomination Committee

Nomination Committee members

The Lord St John of Bletso (Chairman)	Independent Non-Executive Director
The Hon Alexander Downer	Independent Non-Executive Director
Sofia Bianchi	Independent Non-Executive Director
Emily Manning	Independent Non-Executive Director
Alan Rule	Independent Non-Executive Director

The Nomination Committee comprises the Independent Non-Executive Directors and meets at least once each year. During the year under review, the committee met once and attendance at this meeting is shown on page 45.

Corporate governance report continued

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

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

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

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

The duties of the Nomination Committee include:

- regularly reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and making recommendations to the Board with regard to any changes;
- succession planning for Executive and Non-Executive Directors and in particular for the key roles of Chairman and Chief Executive;
- identifying and nominating candidates to fill Board vacancies for the approval of the Board when these arise;
- reviewing the leadership needs of the Company, both Executive and Non-Executive; and
- making recommendations to the Board regarding:
  - membership of Board Committees in consultation with the chairpersons of those committees;
  - the re-appointment of any Non-Executive Director at the conclusion of their specified term;
  - the re-election by shareholders of any Director under the re-election provisions of the Code or the "retirement by rotation" provisions in the Articles; and
  - 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 2021/2022

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

- reviewing the leadership needs of the Company; and
- reviewing the requirements for annual re-election of Directors under the Code for the financial year commencing 1 April 2021.

The Nomination Committee recommended to the Board that each of the Directors be submitted for re-election at the Annual General Meeting on 7 September 2022.

Report of the Audit Committee

The Audit Committee gives due consideration to applicable laws and regulations, the provisions of the Code, the requirements of the Companies (Jersey) Law 1991 and the requirements of the London Stock Exchange's rules for AIM companies, as appropriate. The Chairman of the committee reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities, and how it has discharged its responsibilities. He makes himself available at the Annual General Meeting to answer questions concerning the committee's work.

The three Independent Non-Executive Directors that serve on the Audit Committee all have relevant financial experience through the various leadership roles they have held. The Chairman of the committee is a Fellow of the Institute of Chartered Accountants of Australia and New Zealand. Details of the Directors' qualifications and experience are available on pages 41 and 42.

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

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

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

Key duties of the Audit Committee include:

- monitoring the integrity of the Company's financial reporting;
- reviewing the consistency of, and any changes to, accounting policies both on a year-on-year basis and across the Company, and reviewing whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- reviewing the Company's internal financial controls and internal control and risk management systems;
- reviewing the adequacy and security of the Company's whistleblowing facilities for employees and contractors, and ensuring that these facilities allow for investigation and appropriate follow up action in respect of any reports made;
- reviewing the Company's systems, procedures and controls for detecting fraud, the Company's anti-money laundering and bribery systems and controls, and the adequacy and effectiveness of its compliance function, including with regard to economic sanctions regulations;
- 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 2022 financial year, including its half-year report, results announcements and this Annual Report. This review included, where appropriate:

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

In reviewing the Company's financial statements, the Audit Committee considered the Company's accounting policies, particularly in relation to the uranium investment, and the accounting estimates and judgements as described on pages 78 to 81. In addition to the publicly released reports, the committee's review covered management reports as well as reports from and discussions with the external auditor.

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

Report of the Audit Committee continued

Internal audit

The Audit Committee annually considers the need for an internal audit function in the context of the growth of the Company, the scale, diversity and complexity of the Company's activities and the number of employees, as well as cost and benefit considerations. The Audit Committee has concluded that it is currently not necessary for the Company to have an internal audit function given that the business operates from a single site and has a high degree of senior oversight by the CEO and CFO.

External auditor

The Audit Committee oversees the Company's relationship with the external auditor, RSM UK Audit LLP, who have been the Company's external auditor since its listing in 2018. The committee has recommended to the Board that shareholders be asked to approve the re-appointment of RSM UK Audit LLP as auditor at the Annual General Meeting. The Audit Committee discharged its duties regarding the Company's interactions with its external auditor in accordance with its terms of reference during the year to 31 March 2022, 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 2022 with the external auditor;
- reviewing the management representation letter requested by the external auditor before it was signed by management and management's response to the auditor's findings and recommendations; and
- reviewing the effectiveness of the audit process.

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

Non-audit services

A formal policy is in place to govern non-audit services provided by the external auditor to safeguard independence and objectivity. In the current year, there were no non-audit services performed by RSM (2021: none).

Whistleblowing

While Yellow Cake has a whistleblowing policy (see page 46), the Company's workforce comprises two Executive Directors (the CEO and CFO) who can raise any concerns directly with the Audit Committee and Board and there is currently no separate whistleblowing channel in place. No whistleblowing reports were received by the Audit Committee during the year.

Risk management and internal control

The Audit Committee is mandated by the Board to keep the Company's internal control and risk management systems under review. These systems support the integrity of the financial reporting process and the preparation of accounts, and 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 64 of this report.

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

2022/2023 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

21 July 2022

Directors' remuneration report

Dear Shareholder,

It is with great pleasure that I present the Company's Directors' Remuneration Report for the year ended 31 March 2022.

Yellow Cake's 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.

The Company's remuneration policy, outlined on pages 57 and 58, is consistent with the Company's values, culture, remuneration philosophy and business strategy. Above all, it has been designed to be simple. The remuneration policy which was applied in the year under review 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.

Remuneration outcomes for the year under review

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

The remuneration policy comprises three components:

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

The short- and long-term incentives were designed to reward growth and take account of risks through equity participation, and to align executive rewards with shareholder returns.

The year under review is the third year in which the current 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, with the annual bonuses for the year based on executive performance measured against a scorecard of performance targets, a summary of which was included in the 2021 annual report.

Based on this assessment, the Remuneration Committee determined to award a cash bonus equal to 70% of base salary. Further detail is provided on pages 58 and 59.

No long-term incentive awards vested in the year under review.

As a result of the Remuneration Committee's planned review of the long-term incentive plan, no grant of long-term incentive options were made in respect of the 2022 financial year.

Review of the remuneration policy

The Remuneration Committee undertook a review of the executive remuneration policy during the 2022 financial year to ensure that the remuneration packages on offer appropriately reward management. The review by independent remuneration consultants Deloitte LLP took into account market data and insights. Following the committee's review, from 1 April 2022, the remuneration policy will comprise the following three components:

- a base salary;
- an annual bonus of up to 50% of base salary for the CEO and CFO, typically paid in cash, based on the achievement of key strategic objectives; and
- a long-term incentive in the form of share options of up to 75% of base salary for the CEO and 45% of base salary for the CFO. The exercise price for awards will continue to be based on the estimated net asset value of the Company at grant date or the market price, whichever is higher.

The Remuneration Committee reviewed the base salaries of the Executive Directors and proposed to increase these from USD212,300 to USD240,000 (13% increase) for the Chief Executive Officer and from USD165,000 to USD170,000 (3% increase) for the Chief Financial Officer for the financial year ending 31 March 2023. The CEO's salary for the 2023 financial year is 12% above his 2020 salary level. The CFO's salary for the 2023 financial is 1% lower than her 2020 salary.

Alexander Downer
Remuneration Committee Chair

21 July 2022

Directors' remuneration report continued

Responsibilities of the Remuneration Committee

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

The committee comprises four Independent Non-Executive Directors and meets at least twice a year. During the year under review, the committee met four times. Details of the committee members and their record of attendance at meetings during the year are available on page 45.

Key duties of the Remuneration Committee include:

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

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

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

Activities during 2021/2022

During the year to 31 March 2022, the Remuneration Committee discharged its duties by:

- reviewing and approving the Executive Directors' annual bonus performance scorecard for the 2022 financial year;
- undertaking a comprehensive review of the Company's executive remuneration policy, with the support of external consultants and recommending a revised policy for future years; and
- reviewing relevant provisions of the Code.

2022/2023 Focus areas

The main objectives for the Remuneration Committee in the financial year ending 31 March 2023 will be to:

- review and approve the Executive Director annual bonus performance against the scorecard for the 2023 financial year;
- review the short-term and long-term incentive scheme to ensure continued alignment with the Company's strategy; and
- maintain an ongoing review of remuneration levels and structures for Executive Directors, the Chairman and Non-Executive Directors.

Directors' remuneration report continued

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 2022.

The table below describes the components of the Company's remuneration policy for Executive Directors and as such provides the framework for their future remuneration.

Remuneration element	Purpose, link to strategy and operation	Opportunity and performance metrics	Remuneration Committee discretion
Salary	A base annual salary is essential to attract and retain key executives. It is reviewed annually based on: • role, experience and individual performance; • external market practices; and • the general economic environment.	Salaries are benchmarked to the relevant market median, taking account of the individual's time commitments to the Company.	Salaries may be reviewed annually by the committee.
Benefits and pension	Directors are not entitled to any non-cash benefits or company pension contributions.		
Annual Bonus	The annual bonus rewards achievement of annual key performance indicators (KPIs). Bonus awards are determined after the relevant year-end based on the committee's assessment of achievement against the KPI targets.	The committee sets annual targets and weightings, and performance is measured over a single financial year. Prior to 1 April 2022, an annual bonus of up to 100% of salary could be awarded for exceptional performance. Where a bonus award was granted, this was normally in the form of nil-cost or nominal-cost share options, although the committee could at its discretion award a cash annual bonus in lieu of shares, having regard the Company's cash position. Effective from 1 April 2022, the annual bonus will normally be paid in cash (unless circumstances at year end are such that payment in cash is not appropriate in which case the award will be in shares) and will be capped at a maximum of 50% of salary.	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	The long-term incentive aims to align the interests of management and shareholders, and encourages retention. Long-term incentives may be granted annually and currently take the form of market-priced share options.	Prior to 1 April 2022, the exercise price of the options multiplied by the number of options granted was capped at 125% of salary. Effective from 1 April 2022, this cap was changed to 75% of salary for the CEO and 45% of salary for the CFO. Vesting is subject to an underpin based on satisfactory business and individual performance and the share price exceeding the prevailing net asset value at the date of grant. The exercise price per share is set at the higher of the average market price in the week prior to the grant date and the estimated net asset value per share on the grant date.	The committee retains the discretion to give effect to malus and clawback provisions, and to impose performance conditions on the vesting of incentive awards, should it wish to do so.

Directors' remuneration report continued

Executive directors' recruitment policy

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

Terms of the Executive Directors' service contracts

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

Termination policy

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

Non-Executive Directors' appointment and remuneration

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

Implementation of the remuneration policy in 2021/2022

Salary in respect of the 2022 financial year

The salaries applicable at the beginning of the 2021 and 2022 financial years and proposed base salary for the financial year ending 31 March 2023 are shown in the table below:

Base salary	2021 USD'000	2022 USD'000	2023 USD'000
Chief Executive Officer	215.0	212.3	240.0
Chief Financial Officer	172.0	165.0	170.0

Annual bonus

The annual bonus is based on commercial targets and was capped at 100% of base salary for the 2022 financial year, subject to performance, as determined by the Board. The bonus awards take the form of nil-cost or nominal cost options (which normally vest and become exercisable not earlier than one year after grant) or cash.

There are currently no outstanding bonus options. Bonuses in respect of the 2021 and 2022 financial year were granted in the form of cash.

Bonus options granted in respect of the 2020 financial year (described in note 10 of the financial statements) were exercised on 26 July 2021 and resulted in a gross gain of USD182,172 to the CEO and USD145,735 to the CFO on the date of exercise.

Annual bonus awards in respect of the 2022 financial year

The annual bonus calculation for the 2022 financial year assessed:

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

During the year ended 31 March 2022, the Executive Directors led two successful equity placements, raising circa USD237 million at a share price above the prevailing net asset value per share and implemented transactions (completed or committed) that increased the Company's U_3O_8 holdings by approximately 91%. The Company's shareholder base broadened significantly and more retail investors were added to the share register.

Directors' remuneration report continued

Significant shareholder engagement was undertaken with a view to maintaining investor interest against a backdrop of fundamental changes in the uranium market.

The Executive Directors responded to the impending launch of the Sprott Physical Uranium Trust by implementing a USD87 million equity raise in the month prior to the Trust's launch. These actions led to the purchase of 2.6 million lb of U_3O_8 at a price of USD32.26/lb prior to the significant spot market purchase by the Sprott Physical Uranium Trust and the significant spot price rise subsequently.

The Remuneration Committee considers that these actions have created significant shareholder value, notably through the equity raise and the subsequent use of these proceeds to purchase 9.3 million lb of U_3O_8, during the financial year and after year end, increasing the Company's holdings to 18.81 million lb of U_3O_8 acquired at an average cost of USD31.11/lb1. Operating costs were effectively managed to budget. As such, the Remuneration Committee considers that the Executive Directors have delivered effectively against the KPIs outlined in the performance scorecard for the 2022 financial year.

Based on the performance scorecard for the 2022 financial year, the Remuneration Committee has resolved at its discretion to award bonuses, equivalent to 70% of base salary, as set out below. The bonuses will be paid in cash.

	USD'000
Chief Executive Officer	148.6
Chief Financial Officer	115.5

Annual bonus awards in respect of the 2023 financial year

The Remuneration Committee reviewed the annual bonus performance scorecard for the 2023 financial year.

The maximum annual bonus opportunity for the 2023 financial year was set at 50% of base salary, based on satisfactory business and individual performance, as determined by the Board, in the following areas:

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

Long-term incentive

The long-term incentive is a share option scheme that grants options to acquire shares in the Company exercisable not earlier than three years after grant, save in certain circumstances including a change of control of the Company. The options expire ten years after the date of grant and 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). Prior to 1 April 2022, in respect of any annual grant of long-term incentive options, the exercise price of the options multiplied by the number of options granted was capped at 125% of salary. Effective from the 2023 financial year, this cap was changed to 75% of salary for the CEO and 45% of salary for the CFO.

The long-term incentive award relating to a financial year is usually granted at the beginning of that financial year. The exercise price per share is set at the higher of the average market price in the week prior to the grant date and the estimated net asset value per share on the grant date.

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

Directors' remuneration report continued

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

As a result of the Remuneration Committee's planned review of the long-term incentive plan, no grant of long-term incentive options were made in respect of the 2022 financial year.

Details of the long-term incentive options held by the Executive Directors at year end are as follows:

	Share options awarded	Date of award	Exercise price	Value at award date USD'000	Vesting date
Chief Executive Officer					
– FY2020	84,480	24 February 2020	GBP2.13	34	24 February 2023
– FY2021	78,262	8 July 2020	GBP2.88	25	8 July 2023
– FY2022	–	–	–	–	–
Total	162,742			59	
Chief Financial Officer					
– FY2020	67,584	24 February 2020	GBP2.13	27	24 February 2023
– FY2021	62,609	8 July 2020	GBP2.88	20	8 July 2023
– FY2022	–	–	–	–	–
Total	130,193			47	

The long-term incentive options shown in the table above are exercisable three years after the date of grant and must be held for a further two years.

Long-term incentive awards in respect of the 2023 financial year

Prior to 1 April 2022, the exercise price of the options multiplied by the number of options granted annually was capped at 125% of salary. Effective from 1 April 2022, the scheme was changed such that the exercise price multiplied by the number of long-term incentive options granted annually is capped at 75% of base salary for the CEO and 45% of base salary for the CFO. The options vest at the end of a three-year period after issue and the exercise price remains set at the higher of share price or net asset value per share at the date of grant.

Vesting is subject to an underpin based on satisfactory business and individual performance, and the share price exceeding the prevailing net asset value at the time of grant. The options have a two-year post-vesting holding requirement.

Directors' remuneration report continued

Directors' total combined remuneration for the year ended 31 March 2022

During the financial year, the Board reviewed the independent Non-Executive Directors' compensation, further to a market review based on data prepared by independent remuneration consultants. With effect from 22 October 2021, the Chairman's annual fee was increased from USD50,000 to GBP85,000 a year, while the other Non-Executive Directors' fees were increased from USD40,000 to GBP45,000 a year. In addition, Alexander Downer and Alan Rule each receive an additional GBP10,000 as chairs of the Remuneration and Audit Committee respectively.

Director	Salaries and fees USD'000	(A) Annual Bonus USD'000	(B) LTIP USD'000	(A)+(B) Total Variable Pay USD'000	Total USD'000
Executive Directors					
Andre Liebenberg	207	149	–	149	356
Carole Whittall	161	116	–	116	277
Non-Executive Directors					
The Lord St John of Bletso	79	–	–	–	79
Sofia Bianchi	49	–	–	–	49
Alexander Downer	55	–	–	–	55
Alan Rule	55	–	–	–	55
Emily Manning	Note 1	–	–	–	Note 1
Total	606	265	–	265	871

The annual bonus indicated above in respect of the year to 31 March 2022 was granted after the year-end.

As a result of the Remuneration Committee's planned review of the long-term incentive plan, no grant of long-term incentive options were made in respect of the 2022 financial year.

During the year to 31 March 2022, the second tranche of the share bonus award in respect of the 2020 financial year, which was allocated on 8 July 2020 and which had been deferred, was granted. The second tranche of the 2020 annual bonus award comprised an award of 20,879 nominal cost options in favour of the CEO and 16,703 in favour of the CFO, as detailed in note 10 of the financial statements.

Note 1: Ms Manning's services were supplied pursuant to an administration agreement between the Company and Langham Hall Fund Management (Jersey) Limited dated 18 December 2017 and amended on 7 January 2019. The annual administration fee payable by the Company under such agreement in the year ended 31 March 2022 is USD186,056 (31 March 2021: USD173,802).

Directors' total combined remuneration for the year ended 31 March 2021

Director	Salaries and fees USD'000	(A) Annual Bonus USD'000	(B) LTIP USD'000	(A)+(B) Total Variable Pay USD'000	Total USD'000
Executive Directors					
Andre Liebenberg	204	58	25	83	287
Carole Whittall	161	45	20	65	226
Non-Executive Directors					
The Lord St John of Bletso	50	–	–	–	50
Sofia Bianchi	40	–	–	–	40
Alexander Downer	40	–	–	–	40
Alan Rule	40	–	–	–	40
Emily Manning	Note 1	–	–	–	Note 1
Alexandra Nethercott- Parkes†	Note 1	–	–	–	Note 1
Total	535	103	45	148	683

The amounts indicated for the LTIP above correspond to the fair value as at the grant date, detailed in note 10 of the financial statements.

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

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

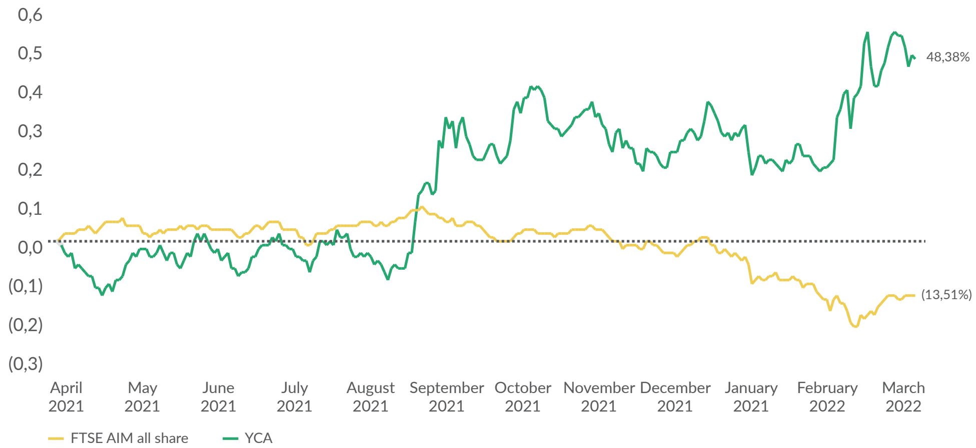
No Director received any non-cash benefits or pension provision. There were no payments to past Directors and no payments of compensation for loss of office in the year under review.

Directors' remuneration report continued

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 2022 is shown in the graph below:

Total shareholder return (%)



Statement of directors' share interests

The number of shares held by each Director in the Company as at 31 March 2022 is shown in the table below. There is no shareholding requirement for Directors. As at 21 July 2022, there had been no changes in the directors' share interests.

Name	Number of ordinary shares	% of share capital (excluding treasury shares)
The Lord St John of Bletso*	26,302	0.01
Sofia Bianchi	13,186	0.01
The Hon Alexander Downer	29,925	0.02
Alan Rule	18,837	0.01
Alexandra Nethercott-Parkes	–	–
Andre Liebenberg	121,478	0.06
Carole Whittall	49,918	0.03
Total	259,646	0.14

** 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

21 July 2022

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 2022. The financial statements of the Company have been prepared in accordance with UK-adopted International Accounting Standards.

Principal activities

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

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

On 22 June 2022, the Company's shares were admitted to trading on the OTCQX, the highest tier of the US over-the-counter market.

Results for the period

The results of the Company for the year are set out on pages 74 to 97.

Business review and future developments

The Strategic Report on pages 4 to 39 provides a review of the year's activities, operations, future developments and key risks.

Directors

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

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

Directors' interests

The Audit and Remuneration Committee reports are available on pages 53 and 55 respectively.

Details of the Directors' interests in the Company's shares can be found in the remuneration report on page 62.

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

As part of the "Buyback Option" detailed in note 7, Yellow Cake bought back 2,022,846 lb of U_3O_8 from Kazatomprom at USD43.25/lb, which was delivered on 19 May 2022.

Under the share buyback programme initiated on 4 April 2022, detailed in note 11, the Company acquired 566,833 shares between 4 April and 6 May 2022, at a volume weighted average price of GBP4.15 per share and at a volume weighted average discount to the Company's proforma net asset value of 10.4%.

Pursuant to Kazatomprom's offer of 26 October 2021, the Company entered into an agreement with Kazatomprom to purchase 950,000 lb of U_3O_8 for a total consideration of USD45,201,000 (USD47.58/lb), which was delivered on 30 June 2022.

On 22 June 2022, the Company's shares were admitted to trading on the OTCQX, the highest tier of the US over-the-counter market.

Financial risk management

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

Directors' report continued

Political and charitable contributions

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

Internal control

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

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

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

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

- The Board meets regularly with a formal schedule of matters reserved to it for decision.
- The Company has an organisational structure and has put in place operating protocols and procedures ensuring clear lines of responsibility and appropriate delegation of authority.
- The Board monitors the Company's financial performance against budgets and forecasts.
- The Executive Directors undertake a regular assessment process, to identify and quantify the risks that face the Company's operations and functions, and to assess the adequacy of the prevention, monitoring and mitigation practices in place for those risks.
- The Board is responsible for reviewing the risk assessment and risk management processes for completeness and accuracy.
- The Board receives regular updates from management in addition to carefully considering the Company's risk register at regular intervals.
- There are no significant issues disclosed in the report and financial statements for the year ended 31 March 2022 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 2023 financial year.

Corporate governance

The corporate governance report on pages 40 to 52 forms part of this Directors' report.

Going-concern

The Company has not been significantly affected by COVID-19 as the Company has no physical operations and the executive team was already home-based. Yellow Cake's operations, financial position and ability to source additional U_3O_8 have to date been unaffected by the war in Ukraine. We currently do not anticipate any restrictions on being able to make further purchases under the option agreement with Kazatomprom.

As at 31 March 2022, Yellow Cake had sufficient cash balances to meet approximately two years of working capital requirements, after taking into account commitments to purchase USD132.7 million worth of U_3O_8 after the year end and a share buyback programme completed after year end, before it would need to raise additional funds.

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

Directors' report continued

Purchase of own shares

On 4 April 2022, Yellow Cake announced the initiation of a share buyback programme to purchase up to USD3 million of the Company's ordinary shares commencing on 4 April 2022. Given that the Company's shares had traded at a material discount to its underlying net asset value since mid-January 2022, the Board resolved to implement a share buyback programme as a means of effectively acquiring exposure to uranium at a discount to the commodity spot price. Shares were purchased when the closing mid-market share price of the Company in any given day represented a discount of 10% or more to the Company's proforma net asset value at that time.

Under the programme, the Company acquired 566,833 shares between 4 April and 6 May 2022, at a volume weighted average price of GBP4.15 per share and at a volume weighted average discount to the Company's proforma net asset value of 10.4%.

Substantial shareholdings

As at 15 June 2022, Yellow Cake had 187,740,730 in issue of which 4,636,331 shares were held in treasury. The Company was aware of the following holdings of 3% or more in the Company's issued share capital.

Shareholder	Number of shares	Share-holding (%)
MM Asset Management	19,900,028	10.87
Kopernik Global Investors	10,021,129	5.47
Global X Management Company	9,934,107	5.43
Interactive Brokers (EO)	9,476,805	5.18
ALPS Advisors	8,869,146	4.84
Hargreaves Lansdown, stockbrokers (EO)	8,093,628	4.42
Brandes Investment Partners	7,761,508	4.24
Uranium Royalty Corporation	6,957,431	3.80
Clearstream, Luxembourg (beneficial ownership undisclosed)	5,615,005	3.07

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.

The Companies (Jersey) Law 1991 requires directors to prepare Financial Statements for each financial year in accordance with any generally accepted accounting principles. The Directors have elected to use UK-adopted International Accounting Standards. 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.

Directors' report continued

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

21 July 2022

Independent auditor's report

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 2022 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK-adopted International Accounting Standards; 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.

Summary of our audit approach

Key audit matters	• Investment in uranium
Materiality	• Overall materiality: $12,200,000 (2021: $6,140,000) • Performance materiality: $9,190,000 (2021: $4,600,000), with specific performance materiality of $506,000 applied to all items in the Statement of Comprehensive Income other than the fair value movement in the investment in uranium
Scope	Our audit procedures covered 100% of total assets and 100% of profit before tax.

Key audit matters

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

Independent auditor's report continued

Investment in uranium

Key audit matter description	The Company's business model is based on holding investments in uranium. The Company's accounting policy is that uranium is held at fair value based on the most recent month-end spot rate price for U_3O_8 published by UxC LLC. At 31 March 2022, the Company's investment in uranium was valued at $916,717,000 (2021: $302,098,000). The Company's holding of uranium is held by third parties 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 2022; • corroborating the purchases and disposals of uranium during the year and consideration of the accounting treatment applied to these transactions; • corroboration of the price used to value the investment at 31 March 2022 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	$12,200,000 (2021: $6,140,000)
Basis for determining overall materiality	1.14% (2021: 1.43%) of total assets
Rationale for benchmark applied	The company's business model is based on long-term holding of investments in uranium, which represents the majority of total assets. Total assets is therefore considered to be the most appropriate benchmark for overall materiality.
Performance materiality	Performance materiality: $9,190,000 (2021: $4,600,000), with specific performance materiality of $506,000 applied to all items in the Statement of Comprehensive Income other than the fair value movement in the investment in uranium.
Basis for determining performance materiality	75% (2021: 75%) of overall materiality, with specific materiality applied to all items in the Statement of Comprehensive Income other than the fair value movement in the investment in uranium being determined based on 7.5% of total expenses.
Reporting of misstatements to the Audit Committee	Misstatements in excess of $122,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

Independent auditor's report continued

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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going-concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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.

Corporate governance statement

We have reviewed the directors' statement in relation to going-concern, longer-term viability and that part of the Corporate Governance Statement relating to the company's voluntary compliance with the provisions of the UK Corporate Governance Code.

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

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

Independent auditor's report continued

Responsibilities of directors

As explained more fully in the directors' responsibility statement set out on page 65, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

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

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

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

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

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

Independent auditor's report continued

The most significant laws and regulations were determined as follows:

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

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

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

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

Use of our report

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

Graham Ricketts
For and on behalf of RSM UK Audit LLP, Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
21 July 2022

Independent auditor's report continued

Appendix 1: Auditor's responsibilities for the audit of the financial Statements

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

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

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

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

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

FINANCIAL STATEMENTS

04

Financial statements

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 March 2022 USD '000	As at 31 March 2021 USD '000
ASSETS			
Non-current assets			
Investment in uranium	4	916,717	302,098
Total non-current assets		**916,717**	**302,098**
Current assets			
Trade and other receivables	5	130	119
Cash and cash equivalents	6	153,136	126,159
Total current assets		**153,266**	**126,278**
Total assets		**1,069,983**	**428,376**
LIABILITIES			
Current liabilities			
Trade and other payables	8	(970)	(3,621)
Uranium derivative liability	7	–	(3,361)
Total current liabilities		**(970)**	**(6,982)**
Total liabilities		**(970)**	**(6,982)**
NET ASSETS		**1,069,013**	**421,394**
Equity			
Attributable to the equity owners of the Company			
Share capital	9	2,544	1,785
Share premium	9	588,181	358,812
Share-based payment reserve	10	122	141
Treasury shares	11	(11,219)	(11,458)
Retained earnings		489,385	72,114
TOTAL EQUITY		**1,069,013**	**421,394**

The financial statements of Yellow Cake plc and the related notes were approved by Directors on 21 July 2022 and were signed on its behalf by:
Andre Liebenberg
Chief Executive Officer

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 31 March 2022 USD '000	Year ended 31 March 2021 USD '000
Uranium investment gains			
Fair value movement of investment in uranium	4	433,274	33,365
Uranium swap income	4	100	1,145
Fair value movement of uranium derivative liability	7	(3,193)	(774)
(Discount)/premium to spot price on disposals of uranium	4	(6,058)	180
Uranium investment gains		**424,123**	**33,916**
Expenses			
Share-based payments	10	(220)	(139)
Equity offering expenses	9	(534)	(681)
Commission on uranium transactions	12	(1,884)	(282)
Procurement and market consultancy fees	12	(2,130)	(1,124)
Other operating expenses	13	(2,180)	(1,739)
Total expenses		**(6,948)**	**(3,965)**
Bank interest income		11	3
Gain/(loss) on foreign exchange		85	(43)
Profit before tax attributable to the equity owners of the Company		**417,271**	**29,911**
Tax expense	14	–	–
Profit and total comprehensive income for the year after tax attributable to the equity owners of the Company		**417,271**	**29,911**
Basic earnings per share attributable to the equity owners of the Company (USD)	16	2.60	0.34
Diluted earnings per share attributable to the equity owners of the Company (USD)	16	2.59	0.33

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 31 March 2020		**1,164**	**224,437**	**2**	**(726)**	**42,203**	**267,080**
Total comprehensive income after tax for the year		–	–	–	–	29,911	**29,911**
Transactions with owners:							
Shares issued	9	621	137,879	–	–	–	**138,500**
Share issue costs	9	–	(3,504)	–	-	–	**(3,504)**
Share-based payments	10	–	–	139	–	–	**139**
Purchase of own shares	11	–	–	–	(10,732)	–	**(10,732)**
As at 31 March 2021		**1,785**	**358,812**	**141**	**(11,458)**	**72,114**	**421,394**
Total comprehensive income after tax for the year		–	–	–	–	417,271	**417,271**
Transactions with owners:							
Shares issued	9	759	235,818	–	–	–	**236,577**
Share issue costs	9	–	(6,449)	–	–	–	**(6,449)**
Share-based payments	10	–	–	220	–	–	**220**
Exercise of bonus options	11	–	–	(239)	239	–	**–**
As at 31 March 2022		**2,544**	**588,181**	**122**	**(11,219)**	**489,385**	**1,069,013**

STATEMENT OF CASH FLOWS

	Notes	**1 April 2021 to 31 March 2022 USD'000**	1 April 2020 to 31 March 2021 USD'000
Cash flows from operating activities			
Profit after tax		417,271	29,911
Adjustments for:			
Discount/(premium) to spot price on disposal	7, 4	6,058	(180)
Change in fair value of investment in uranium	4	(433,274)	(33,365)
Change in fair value of uranium derivative liability	7	3,193	774
Share-based payments	10	220	139
(Gain)/loss on foreign exchange		(85)	43
Interest income		(11)	(3)
Operating profit before changes in working capital		**(6,628)**	**(2,681)**
Changes in working capital:			
Increase in trade and other receivables		(11)	(29)
(Decrease)/increase in trade and other payables		(2,607)	3,216
Cash (used in)/generated from operating activities		**(9,246)**	**506**
Interest received		11	3
Cash (used in)/generated from operating activities		**(9,235)**	**509**
Cash flows from investing activities			
Purchase of uranium	4	(284,890)	(15,025)
Proceeds of sale of uranium	4	90,934	9,960
Net cash used in investing activities		**(193,956)**	**(5,065)**
Cash flows from financing activities			
Proceeds from issue of shares	9, 11	236,577	138,500
Issue costs paid	9	(6,449)	(3,504)
Share buyback programme	11	–	(10,732)
Net cash generated from financing activities		**230,128**	**124,264**
Net increase in cash and cash equivalents during the year		26,937	119,708
Cash and cash equivalents at the beginning of the year		126,159	6,481
Effect of exchange rate changes		40	(30)
Cash and cash equivalents at the end of the year		**153,136**	**126,159**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

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 established 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.

On 22 June 2022, the Company's shares were admitted to trading on the OTCQX, the highest tier of the US over-the-counter market.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These audited financial statements of the Company for the year 1 April 2021 to 31 March 2022 have been prepared in accordance with the UK-adopted International Accounting Standards ("**IFRS**").

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.

The principal accounting policies adopted are set out below.

Going-concern

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

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

In addition, the Board has considered the impact of the conflict in Ukraine and sanctions imposed against Russia and Belarus in its going-concern assessment for the Company.

After taking into account the Company's post year end commitments to purchase USD132,689,090 of U_3O_8, the Company considered that as at 31 March 2022, it had sufficient working capital to meet approximately two years of operating expenses before it would need to raise additional funds. The Company had no debt or hedge liabilities on its balance sheet as at 31 March 2022. The Company usually aims to retain three years' of working capital requirements following an equity issuance. Following the Company's most recent equity issuance in October 2021, the Board resolved in April 2022 to apply USD3 million to a share buyback programme to purchase the Company's shares at a discount to net asset value, thus retaining a lower amount of working capital.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2022

Sale of uranium and uranium swaps

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

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

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

Investments in uranium

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

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

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

Foreign currency translation

Functional and presentation currency

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

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

Foreign currency translation

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

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

Financial instruments

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

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2022

Financial assets

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

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

Financial liabilities

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

In prior periods the Company also recognised a derivative financial liability in the scope of IFRS 9. This financial instrument was recognised at fair value and value changes recognised in profit and loss. The fair value of the Repurchase Option was determined based on the expected option payoff using a Monte Carlo simulation produced by an independent financial valuer.

Share capital and share premium

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. Transfers from treasury shares are recognised at the weighted average of the cost of acquiring the treasury shares.

Share-based payments

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2022

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 key accounting estimates in prior periods were the assumptions made in valuing the uranium derivative liability. The option in favour of Kazatomprom was exercised on 22 November 2021 and as such the estimation is no longer present at the year end. Refer to note 7 for details of the derivative liability and the exercise of the option by Kazatomprom.

Judgements

The Company receives regular tax advice and opinions from its advisors and accountants to ensure it is aware of, and can seek to mitigate the effects on its tax position of, changes in regulation. While the Company stores its uranium in storage facilities in Canada and France, the Company does not carry on business in either of these jurisdictions. 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 (year ended 31 March 2021: USD nil).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2022

3. MANAGEMENT OF FINANCIAL RISKS

Financial risk factors

The Company's financial assets and liabilities comprise of cash, 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 being held at fair value. The carrying amounts of all such instruments are as stated in their respective notes.

Market risk

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

Interest rate risk

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

Price risk and sensitivity

If the value of the investment in uranium fell by 5% at the year end, the profit after tax would decrease by USD45,835,826 (year ended 31 March 2021: USD15,104,910). Likewise, if the value rose by 5% the profit after tax would have increased by USD45,835,826 (year ended 31 March 2021: USD15,104,910).

Economic risk

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

Geopolitical events that occurred in Kazakhstan and Russia/Ukraine during the last quarter of the Company's financial year have not had a material impact to date on the Company's operations, nor affected its financial position. The Company's counterparties are not subject to sanctions. While the Company has purchased and intends to continue to purchase U_3O_8 from Kazatomprom, the Kazakh national atomic company, all U_3O_8 to which the Company has title and has paid for, is held at the Cameco storage facility in Canada and the Orano storage facility in France.

The Company exercised its Buyback Option with Kazatomprom under which it acquired 2,022,846 lb of U_3O_8 from Kazatomprom which was delivered to the Company at the Cameco storage facility in Canada on 19 May 2022. In addition the Company entered into an agreement to purchase 950,000 lb of U_3O_8 from Kazatomprom, which was delivered to the Company at the Cameco storage facility in Canada on 30 June 2022. Payment was released to Kazatomprom following delivery to the Company.

While part of Kazatomprom's production is transported through Russia, the Company is unaware of any restrictions on Kazatomprom's activities related to the supply of its products to the Company. The Company has to date received deliveries from Kazatomprom in accordance with agreed delivery schedules. There are nevertheless risks associated with both transit through the territory of Russia and the delivery of cargo by sea vessels, which could adversely impact future deliveries from Kazatomprom.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2022

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 USD153,136,073 (31 March 2021: USD126,159,065).

The Company's cash and cash equivalents are held with Citibank Europe PLC, which is rated A+ (2020: A+) according to ratings agency Fitch.

As at 31 March 2022	Carrying amount USD'000	< 1 year USD'000	1 to 2 years USD'000	2 to 10 years USD'000
Cash and cash equivalents	**153,136**	**153,136**	**–**	**–**
Other creditors and accruals	**(970)**	**(970)**	**–**	**–**
As at 31 March 2021	USD'000	USD'000	USD'000	USD'000
Cash and cash equivalents	126,159	126,159	–	–
Other creditors and accruals	(3,621)	(3,621)	–	–

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 Fair Value Measurement requires the Company to classify fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2022

Assets and liabilities **As at 31 March 2022**	**Level 1 USD'000**	**Level 2 USD'000**	**Level 3 USD'000**	**Total USD'000**
Investment in uranium	**916,717**	**–**	**–**	**916,717**
Uranium derivative liability	**–**	**–**	**–**	**–**
As at 31 March 2021				
Investment in uranium	302,098	–	–	302,098
Uranium derivative liability	–	(3,361)	–	(3,361)

4. INVESTMENT IN URANIUM

	Fair Value USD'000
As at 31 March 2020	**263,489**
Acquisition of U_3O_8	15,024
Change in fair value	33,365
Sale of U_3O_8	(9,780)
As at 31 March 2021	**302,098**
Acquisition of U_3O_8	284,890
Change in fair value	433,274
Sale of U_3O_8	(103,545)
As at 31 March 2022	**916,717**

The value of the Company's investment in U_3O_8 is based on the daily spot price for U_3O_8 of USD57.90/lb as published by UxC LLC on 31 March 2022 (2021: month-end spot price of USD30.65/lb as published by UxC LLC on 29 March 2021).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2022

The value of the Company's investment in U_3O_8 in prior years was based on the month-end spot price for U_3O_8 which was published by UxC LLC on the last Monday of each calendar month. With increasing liquidity in the uranium spot market and greater availability of daily pricing data, UxC LLC has commenced the publication of a daily U_3O_8 spot price, which the Company believes more accurately represents the period end market price of the Company's uranium investment.

As at 31 March 2022, the Company:

- Had purchased a total of 18,503,669 lb of U_3O_8 at an average cost of USD27.48/lb.
- Had disposed of 2,670,914 lb of U_3O_8 at an average selling price of USD40.23/lb that had been acquired at an average price of USD21.01/lb, assuming a first in first out methodology; and
- Held a total of 15,832,755 lb of U_3O_8 acquired at an average cost of USD28.57/lb for a net total cash consideration of USD452.4 million, assuming a first in first out methodology.

Purchase of uranium

The Company completed the following purchase transactions during the year:

- 20 May 2021 – 343,053 lb of U_3O_8 at price of USD29.15/lb, in the spot market, for a cash consideration of USD9,999,995.
- 21 June 2021 – 3,454,231 lb of U_3O_8 at price of USD28.95/lb, from Kazatomprom for a cash consideration of USD99,999,987 in exercise of the 2021 option under the Kazatomprom Framework Agreement.
- 21 July 2021 – 250,000 lb of U_3O_8 at an average price of USD32.39/lb, in the spot market, for a cash consideration of USD8,097,500.
- 27 July 2021 – 100,000 lb of U_3O_8 at a price of USD32.37/lb, in the spot market, for a cash consideration of USD3,237,000.
- 3 August 2021 – 200,000 lb of U_3O_8 at a price of 32.28/lb, in the spot market, for a cash consideration of USD6,456,000.
- 5 November 2021 – 500,000 lb of U_3O_8 at a price of USD46.32/lb, in the spot market, for a cash consideration of USD23,160,000.
- 12 November 2021 – 500,000 lb of U_3O_8 at a price of USD46.32/lb, in the spot market, for a cash consideration of USD23,160,000.
- 22 November 2021 – 500,000 lb of U_3O_8 at a price of USD46.32/lb, in the spot market, for a cash consideration of USD23,160,000.
- 29 November 2021 – 500,000 lb of U_3O_8 at a price of USD46.32/lb, in the spot market, for a cash consideration of USD23,160,000.
- 4 December 2021 – 2,000,000 lb of U_3O_8 at a price of USD32.23/lb, in the spot market, for a cash consideration of USD64,460,000.

Post year-end purchases of uranium

As part of the "Buyback Option" detailed in note 7, Yellow Cake bought back from Kazatomprom 2,022,846 lb of U_3O_8 at USD43.25/lb when the spot price was USD46.25/lb. This was received by the Company at the Cameco storage facility in Canada on 19 May 2022.

Pursuant to Kazatomprom's offer of 26 October 2021, the Company entered into an agreement with Kazatomprom to purchase 950,000 lb of U_3O_8 for a total consideration of USD45,201,000 (USD47.58/lb), which the Company received on 30 June 2022 at which point the risks and rewards of ownership transferred to the Company.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2022

Location swaps

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

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

On 3 April, 24 July and 27 October 2020, the Company entered a series of location swap agreements to exchange 600,000 lb of U_3O_8 between these locations. In consideration, Yellow Cake received proceeds of USD1,090,000, net of costs and commissions (gross proceeds USD1,225,000), of which USD90,000, net of costs and commissions (gross proceeds of USD100,000), was recognised during the period.

Sale of uranium

On 30 March 2021, the Company accepted Uranium Royalty Corp's option exercise notice to purchase 348,068 lb of U_3O_8 from the Company at a price of USD28.73/lb for a total consideration of USD10,000,000. The transaction completed on 28 April 2021. In respect of the above disposal, a premium of USD0.03/lb to the prevailing daily spot price of USD 28.70/lb on 28 April 2021 (as published by UxC, LLC), or USD10,442 in aggregate, has been recognised in the statement of comprehensive income. This premium represents the cumulative disposal proceeds of USD10,000,000 less the carrying value at the date of disposal of USD9,989,558, being the premium to the spot price (and therefore the carrying value) that was realised on disposal.

For illustrative purposes, since the U_3O_8 was originally purchased, the above sales of uranium resulted in an effective "realised gain" of USD2,687,091. This being the total sales proceeds of USD10,000,000 less the "acquisition cost" of USD7,312,909, where the "acquisition cost" is estimated by applying a "first in first out" methodology to the cost of all uranium purchases made by the Company, as at the transaction date.

In respect of the sale of uranium to Kazatomprom under the Repurchase Option (described in note 7 of the Financial Statements), an additional discount of USD3.00/lb to the prevailing daily spot price of USD46.25/lb on the date that the transaction took place (as published by UxC, LLC), or USD6,068,538 in aggregate, was recognised in the statement of comprehensive income. This discount represents the cumulative disposal proceeds of USD87,488,089 less the carrying value at the date of sale of USD93,556,628, being the discount to the spot price (and therefore the carrying value) that was realised on the sale. The discount represents the difference in the spot price prevailing when the Repurchase Option was exercised and the date that the Repurchase Option transaction completed.

The following table provides an analysis of the Company's investment in U_3O_8 at 31 March 2022:

Location	Quantity *lb*	Fair Value USD'000
Canada	15,532,755	899,347
France	300,000	17,370
Total	**15,832,755**	**916,717**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2022

Post year end uranium related transactions

	Quantity *lb*	Cost USD'000
Exercise of Buyback Option, (19 May 2022)	2,022,846	87,488
Kazatomprom purchase transaction (30 June 2022)	950,000	45,201
Total	**2,972,846**	**132,689**

5. TRADE AND OTHER RECEIVABLES

	As at 31 March 2022 USD'000	As at 31 March 2021 USD'000
Other receivables	130	119
Total	**130**	**119**

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 31 March 2022 were held with Citi Bank Europe plc in a variable interest account with full access. Balances at the end of the year were USD152,243,206 and GBP337,918, a total of USD153,136,073 equivalent (31 March 2021: USD126,159,065 equivalent).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2022

7. URANIUM DERIVATIVE LIABILITY

As part of the initial purchase on 5 July 2018 of 8,091,385 lb of U_3O_8 from Kazatomprom under a ten-year Framework Agreement with Kazatomprom, the Company benefited from a purchase price which was 2.5% below the spot price, resulting in the Company receiving an aggregate discount of approximately USD4.3 million. 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 U_3O_8 at the prevailing uranium spot price less an aggregate discount of approximately USD6.55 million (the "**Repurchase Option**"). The Repurchase Option could only be exercised if the U_3O_8 spot price exceeded USD37.50 /lb for a period of 14 consecutive days (the "**Pricing Condition**"), starting three years from 5 July 2018 and expiring on 30 June 2027 and was exercisable within 60 days of the Pricing Condition being met. The Company had a corresponding option (the "**Buyback Option**") to purchase from Kazatomprom all or a portion of the volume repurchased by Kazatomprom under the Repurchase Option at the prevailing spot price.

The Pricing Condition was met in September 2021 and the following transactions took place during the year in satisfaction of Repurchase Option and Buyback Option rights and obligations:

- Purchase by Kazatomprom from Yellow Cake of 2,022,846 lb of U_3O_8 at USD43.25/lb less an aggregate discount of USD6.55 million, delivered on 22 November 2021; and
- Repurchase by Yellow Cake from Kazatomprom of the 2,022,846 lb of U_3O_8 at USD43.25/lb, delivered on 19 May 2022.

Following the exercise of the option detailed above, the uranium derivative liability had been settled as at 31 March 2022 and has therefore been de-recognised (31 March 2021: fair value of USD3,361,000).

In respect of the above sale of uranium to Kazatomprom under the Repurchase Option, an additional discount of USD3.00/lb to the prevailing daily spot price of USD46.25/lb on the date that the transaction took place (as published by UxC, LLC), or USD6,068,538 in aggregate, was recognised in the statement of comprehensive income. This discount represents the cumulative disposal proceeds of USD87,488,089 less the carrying value at the date of sale of USD93,556,628, being the discount to the spot price (and therefore the carrying value) that was realised on the sale. The discount represents the difference in the spot price prevailing when the Repurchase Option was exercised and the date that the Repurchase Option transaction completed.

The Company exercised its Buyback Option with Kazatomprom under the terms of which it bought back the full 2,022,846 lb of U_3O_8 from Kazatomprom on 19 May 2022 at USD43.25/lb and recovered the above discount of USD3.00/lb as the prevailing spot price increased to USD47.40/lb on 19 May 2022. As such no gain or loss overall has occurred in respect of the exercise of the Repurchase and Buyback Options other than settling the derivative liability.

8. TRADE AND OTHER PAYABLES

	As at 31 March 2022 USD'000	As at 31 March 2021 USD'000
Uranium purchase consideration	–	2,995
Other payables and accruals	970	626
Total	**970**	**3,621**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2022

9. SHARE CAPITAL

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

Issued and fully paid:
Ordinary shares

	Number	GBP'000	USD'000
Share capital as at 31 March 2020	**88,215,716**	**882**	**1,164**
Shares issued in the year	44,525,014	445	621
Share capital as at 31 March 2021	**132,740,730**	**1,327**	**1,785**
Shares issued in the year	55,000,000	550	759
Share capital as at 31 March 2022	**187,740,730**	**1,877**	**2,544**

The number of shares in issue above includes the 4,069,498 Treasury shares – refer to Note 11.

Share premium

	GBP'000	USD'000
Share premium as at 31 March 2020	**169,956**	**224,437**
Proceeds of issue of shares	98,846	137,879
Share issue costs	(2,512)	(3,504)
Share premium as at 31 March 2021	**266,290**	**358,812**
Proceeds of issue of shares	171,150	235,818
Share issue costs	(4,684)	(6,449)
Share premium as at 31 March 2022	**432,756**	**588,181**

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2022

On 21 June 2021, the Company issued a total of 23,947,009 new ordinary shares to existing and new institutional investors and 1,052,991 new ordinary shares to retail investors, at a price of GBP2.50 per share, raising gross proceeds of GBP62,500,000 (USD equivalent: 86,906,250). The Company incurred listing expenses, comprising of commissions and professional adviser fees totalling USD2,606,464 of which USD2,362,648 have been taken to the share premium account. Additional placing costs of USD243,816 have been recognised in the statement of comprehensive income. Net proceeds from the placing were GBP60,624,895 (USD equivalent: 84,083,736).

On 29 October 2021, the Company issued a total of 30,000,000 new ordinary shares to existing and new institutional investors, at a price of GBP3.64 per share, raising gross proceeds of GBP109,200,000 (USD equivalent: 149,669,520). The Company incurred listing expenses, comprising of commissions and professional adviser fees totalling USD4,376,355 of which USD4,085,717 have been taken to the share premium account. Additional placing costs of USD290,638 have been recognised in the statement of comprehensive income. Net proceeds from the placing were GBP106,006,979 (USD equivalent: 145,694,325).

10. SHARE-BASED PAYMENTS

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

During the year USD220,285 was recognised in the statement of comprehensive income in relation to share-based payments (31 March 2021: USD138,887).

Annual bonus

The annual bonus award in relation to a financial year is usually granted following publication of the Company's audited annual results for that financial year. In respect of the 2021 and 2022 financial years, annual bonuses were paid in cash and no share-based annual bonus awards were made.

The annual bonus awards in respect of the year to 31 March 2020 were granted in the form of nominal-cost options, which usually would vest and become exercisable no earlier than one year after grant. The annual bonus award in respect of the year ended 31 March 2020, based on performance criteria, was based on commercial targets and was reduced from the maximum award of 100% of base salary to 70%. This was primarily due to the uncertainties that prevailed in mid-2020, arising from the COVID-19 pandemic and the resulting impact on the global economy.

The 2020 annual bonus award was split into two tranches of 35% of base salary each, both with a vesting date of 8 July 2021, with the first award made on 8 July 2020 and the second deferred until after the Company's Annual General Meeting on 2 September 2020, having regard to the uncertainty created by COVID-19 at the time of finalisation of the 2020 awards. The grant of the second tranche was made on 26 July 2021, after the Company's closed period and therefore after the vesting date. Set out below is the summary of the annual bonus awards as granted to directors granted on 8 July 2020 and 26 July 2021 respectively:

Director	Grant date	Exercise date	Exercise price	Opening balance	Granted	Exercised	Expired/ forfeited/other	Closing balance
A Liebenberg	08/07/2020	26/07/2021	GBP0.01	27,392	–	(27,392)	–	–
C Whittall	08/07/2020	26/07/2021	GBP0.01	21,913	–	(21,913)	–	–
A Liebenberg	26/07/2021	26/07/2021	GBP0.01	–	20,879	(20,879)	–	–
C Whittall	26/07/2021	26/07/2021	GBP0.01	–	16,703	(16,703)	–	–
Total				**49,305**	**37,582**	**(86,887)**	**–**	**–**

The options exercised on 26 July 2021 were settled with 86,887 shares held in treasury.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2022

A Black-Scholes option pricing model was used to determine the fair value of the first tranche of bonus awards. As the second tranche of bonus options was granted after the vesting date, for the reasons set out above, their fair value is calculated as the share price at the grant date less the exercise price (rather than based on a Black-Scholes option pricing model); as the second tranche bonus options were exercisable upon grant, their intrinsic value on the grant date was equal to the market value of the underlying shares on that date.

The valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Exercise date	Share price at grant date	Exercise price	Expected volatility	Risk-free interest rate	Fair value at grant date	Fair value at grant date*
08/07/2020	26/07/2021	GBP2.26	GBP0.01	30%	(0.01%)	GBP110,690	USD145,690
26/07/2021	26/07/2021	GBP3.29	GBP0.01	n/a	n/a	GBP123,081	USD161,999

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

Long-term incentive

The long-term incentive is in the form of options granted to acquire shares in the Company that will become exercisable not earlier than three years after grant (save in certain circumstances including a change of control of the Company) and will expire 10 years after the date of grant. The option exercise price has been determined to be the net asset value per share at the grant date of the shares placed under option. The options are subject to a post-vesting holding period of not less than two years (although sufficient shares may be sold on exercise in order to meet tax liabilities arising at vesting). Prior to 1 April 2022, the exercise price of the options multiplied by the number of options granted was capped at 125% of salary. Each option gives the right to acquire one share in the Company. The long-term incentive award relating to a financial year is usually granted at the beginning of that financial year. The exercise of each of the long-term incentive options is conditional upon the share price as at the exercise date being equal to or greater than the net asset value per share of the Company as at the date of grant.

The Remuneration Committee resolved to review the long-term incentive plan and therefore no grant of long-term incentive options was made in respect of the 2022 financial year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2022

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

Director	Grant date	Vesting date	Exercise price	Opening balance	Granted	Exercised	Expired/ forfeited/other	Closing balance
A Liebenberg	24/02/2020	24/02/2023	GBP2.13	84,480	–	–	–	84,480
C Whittall	24/02/2020	24/02/2023	GBP2.13	67,584	–	–	–	67,584
Total				**152,064**				**152,064**
Total fair value as at the grant date*							**USD**	**60,644**

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

Director	Grant date	Vesting date	Exercise price	Opening balance	Granted	Exercised	Expired/ forfeited/other	Closing balance
A Liebenberg	08/07/2020	08/07/2023	GBP2.88	78,262	-	–	-	78,262
C Whittall	08/07/2020	08/07/2023	GBP2.88	62,609	-	–	-	62,609
Total				**140,871**				**140,871**
Total fair value as at the grant date*							**USD**	**44,685**

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2022

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

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

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

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

Grant date	Vesting date	Share price at grant date	Exercise price	Expected volatility	Risk-free interest rate	Fair value at grant date GBP	Fair value at grant date USD*
24/02/2020	24/02/2023	GBP1.95	GBP1.97	25%	0.40%	GBP46,075	USD60,644
08/07/2020	08/07/2023	GBP2.26	GBP2.88	30%	(0.08%)	GBP33,950	USD44,685

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2022

11. TREASURY SHARES

	Number	GBP'000	USD'000
Treasury shares as at 31 March 2020	**309,788**	**565**	**726**
Purchased in the year	3,846,597	8,301	10,732
Treasury shares as at 31 March 2021	**4,156,385**	**8,866**	**11,458**
Exercise of bonus options	86,887	(185)	(239)
Treasury shares as at 31 March 2022	**4,069,498**	**8,681**	**11,219**

During the year, options granted to executive management were exercised on 26 July 2021 and settled with 86,887 shares held in treasury. The reduction in the value of treasury shares resulting from the exercise of bonus options has been calculated based on the weighted average acquisition cost of the treasury shares.

In April 2022, Yellow Cake announced the initiation of a share buyback programme to purchase up to USD3 million of the Company's Ordinary Shares over 30 calendar days commencing on 4 April 2022 (the "**Programme**"). Given that the Company's shares traded at a material discount to its underlying net asset value since mid-January this year, the Yellow Cake Board resolved to implement a share buyback programme as a means of effectively acquiring exposure to uranium at a discount to the commodity spot price. Shares were purchased when the closing mid-market share price of the Company in any given day represented a discount of 10% or more to the Company's *pro forma* net asset value at that time. Under the Programme, following the year-end, the Company acquired 566,833 shares between 4 April and 6 May 2022, at a volume weighted average purchase price of GBP4.15 per share or USD3.0 million in aggregate and at a volume weighted average discount to the Company's *pro forma* net asset value of 10.4%.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2022

12. COMMISSION, PROCUREMENT AND CONSULTANCY FEES

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

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

The Company considers Holding Fees and Storage Incentive Fees to be costs of an ongoing nature. During the period the Company paid Holding Fees and Storage Incentive Fees of USD 2,129,617 (31 March 2021: USD1,123,870) to 308 Services.

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

In addition, if the purchase price paid by the Company in respect of such a purchase transaction is in the lowest quartile of the range of reported uranium spot prices in the calendar year in which the transaction completed, 308 Services is entitled to receive, at the beginning of the following calendar year, an additional commission of 0.5% of the value of the uranium transacted. If the purchase price paid by the Company in respect of such a purchase transaction is in the second lowest quartile of the range of reported uranium spot prices in the calendar year in which the transaction completed, 308 Services is entitled to receive, at the beginning of the following calendar year, an additional commission of 0.25% of the value of the uranium transacted. If the purchase price is in the top half of the range for the calendar year in which the transaction completed, no additional commission will be payable to 308 Services.

During the period, commissions payable to 308 Services totalled USD1,884,453 (31 March 2021: USD282,296).

13. OTHER OPERATING EXPENSES

	Year ended 31 March 2022 USD '000	Year ended 31 March 2021 USD '000
Professional fees	769	687
Management cash compensation and directors' fees	709	535
Other expenses	603	443
Auditor's fees	99	74
Total	**2,180**	**1,739**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 March 2022

14. TAXATION

	Year ended 31 March 2022 USD '000	Year ended 31 March 2021 USD '000
Tax expense for the year	–	–
Total	**–**	**–**

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 USD186,056 (31 March 2021: USD173,802) of administration fees payable to Langham Hall Fund Management (Jersey) Limited ("**Langham Hall**"). Emily Manning is an employee of Langham Hall and has served as a Non-Executive Director of the Company since 31 March 2021, for which she has received no Directors' fees. As at 31 March 2022, there were no amounts due to Langham Hall (31 March 2021: USD nil).

The key management personnel are the Directors and there are no other employees. Their remuneration is detailed in note 13 and represented within 'Other operating expenses' in the Statement of Comprehensive Income.

The following Directors own ordinary shares in the Company as at 31 March 2022:

Name	Number of ordinary shares	% of share capital
The Lord St John of Bletso*	26,302	0.01%
Sofia Bianchi	13,186	0.01%
The Hon Alexander Downer	29,925	0.02%
Emily Manning	–	–
Alan Rule	18,837	0.01%
Andre Liebenberg	121,478	0.06%
Carole Whittall	49,918	0.03%
Total	**259,646**	**0.14%**

* *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 2022

16. EARNINGS PER SHARE

	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021
Profit for the year (USD '000)	417,271	29,911
Weighted average number of shares during the year – Basic*	160,754,398	89,017,413
Weighted average number of shares during the year – Diluted*	161,046,530	89,308,071
Earnings per share attributable to the equity owners of the Company (USD):		
Basic	2.60	0.34
Diluted	2.59	0.33

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

17. EVENTS AFTER THE REPORTING DATE

The Company initiated a share buyback programme on 4 April 2022, following the year-end, and acquired 566,833 shares between 4 April and 6 May 2022, at a volume weighted average purchase price of GBP4.15 per share or USD3.0 million in aggregate and at a volume weighted average discount to the Company's *pro forma* net asset value of 10.4%.

As part of the "Buyback Option" detailed in note 7, Yellow Cake bought back from Kazatomprom 2,022,846 lb of U_3O_8 at a cost of USD43.25/lb or USD87,488,090 in aggregate. This was received by the Company at the Cameco storage facility in Canada on 19 May 2022.

Pursuant to Kazatomprom's offer of 26 October 2021, the Company entered into an agreement with Kazatomprom to purchase 950,000 lb of U_3O_8 for a total consideration of USD45,201,000 (USD47.58/lb), which was delivered on 30 June 2022.

On 22 June 2022, the Company's shares were admitted to trading on the OTCQX, the highest tier of the US over-the-counter market.

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