

Yellow Cake PLC

08:21 29 Oct 2019

Yellow Cake considers share buy-backs as uranium market remains subdued

Uranium specialist Yellow Cake PLC (LON:YCA) will consider a buy-back of its shares if the current discount to its net asset value persists.

The AIM-listed business has just published an estimated net asset value of US\$252mln (£197mln) compared to a market value of £168mln.

Yellow Cake's NAV was based largely on a stockpile of 9.62 million lbs of physical uranium (U3O8) valued at a spot price of US\$25.65/ lb.

"With our share price trading well below NAV, this presents an opportunity for us to acquire additional exposure to uranium at a discount to the spot price, through a share buyback programme.

"The Board will consider this if the significant discount persists," said chief executive Andre Liebenberg.

Over the quarter to September, the value of the company's uranium assets rose by 4% even though prices have been affected by the decision of President Trump to order a review of the nuclear fuel supply chain.

Recommendations from the US Nuclear Fuels Working Group are expected in mid-November.

Liebenberg added: "Trading activity in the uranium market remains subdued as we await the findings of the US Nuclear Fuels Working Group.

"Though this uncertainty continues to weigh on the uranium price in the near term, we are positive about the medium and long term outlook for uranium."

Eventually, Liebenberg expects more normal levels of term contracting, in particular from US utilities that have been deferring purchases.

The recent decision by the world's largest producer Kazatomprom to extend production caps will also remove nearly 15 million pounds of uranium from the market in 2021.

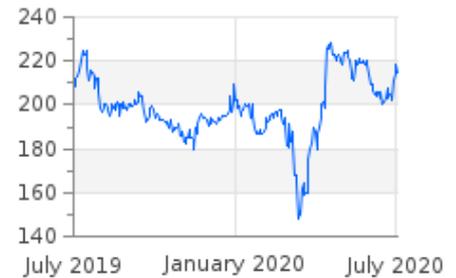
That is 10% of estimated future global supply, said Liebenberg.

"We remain confident in our strategy and investment proposition."

Price: 214.5

Market Cap: £187.91 m

1 Year Share Price Graph



Share Information

Code: YCA

Listing: AIM

52 week	High	Low
	234.75	136

Sector: General mining & base metals

Website: www.yellowcakeplc.com

Company Synopsis:

A specialist company operating in the uranium sector, created to purchase and hold uranium oxide. Global markets offer limited options for gaining exposure to the uranium price.

Yellow Cake is a uranium focused company offering direct exposure to the spot uranium price without exploration, development, mining or processing risk.

action@proactiveinvestors.com

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts

journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.