

**THIS ADMISSION DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or what action you should take you are recommended to seek your own financial advice immediately from your stockbroker, solicitor, accountant or other independent adviser authorised under FSMA, who specialises in advising on the acquisition of shares and other securities, if you are in the United Kingdom, or any appropriately authorised person under applicable laws, if you are located in any other jurisdiction.**

This Document, which is an admission document prepared in accordance with the AIM Rules for Companies, has been issued in connection with the application for Admission. This Document does not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA or the Prospectus Rules published by the FCA (as amended) and accordingly contains no offer of transferable securities to the public within the meaning of sections 85 and 102B of FSMA, or otherwise, and is not a prospectus as defined in the AIM Rules.

This Document does not constitute a prospectus for these purposes and has not been pre-approved by the UKLA pursuant to section 85 of FSMA. A copy of this Document has been filed with the London Stock Exchange as an admission document in respect of the Ordinary Shares of the Company but has not been filed with the Registrar of Companies for England and Wales.

**PROSPECTIVE INVESTORS SHOULD READ THE WHOLE TEXT OF THIS DOCUMENT AND SHOULD BE AWARE THAT AN INVESTMENT IN THE COMPANY IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS ARE ADVISED TO READ IN PARTICULAR, PART I “INFORMATION ON THE COMPANY AND THE PLACING” AND THE RISK FACTORS SET OUT IN PART III OF THIS DOCUMENT.**

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UKLA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this Document.

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## **Yellow Cake plc**

*(Incorporated in Jersey with registered number 125612)*

**Placing and Subscription of 76,166,630 new Ordinary Shares  
and Admission of the Enlarged Share Capital to trading on AIM**

**Numis**

*Nominated Adviser & Joint Bookrunner*

Numis Securities Limited

*Selling Agent*

Olivetree Financial Limited



**BERENBERG**

PARTNERSHIP SINCE 1590

*Joint Bookrunner*

Joh. Berenberg, Gossler & Co. KG

*Selling Agent*

Scott Harris UK Limited



**BACCHUS**  
**Capital Advisers**

*IPO Adviser*

Bacchus Capital Advisers Limited

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**PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH POOLS WHOSE PARTICIPANTS ARE LIMITED TO QUALIFIED ELIGIBLE PERSONS, AN OFFERING MEMORANDUM FOR THIS POOL IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMODITY FUTURES TRADING COMMISSION. THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY OFFERING MEMORANDUM FOR THIS POOL.**

Application has been made for the Enlarged Share Capital to be admitted to trading on AIM, a market operated by London Stock Exchange plc. The Placing and the Subscription are conditional, *inter alia*, on Admission taking place by 8:00 a.m. on 5 July 2018 (or such later date as the Company, Numis and Berenberg may agree, being not later than 3:00 p.m. on 16 July 2018). The New Ordinary Shares will, upon Admission, rank *pari passu* in all respects including, without limitation, in relation to all dividends and other distributions declared paid or made in respect of the Ordinary Shares after Admission. No application is being made for the Enlarged Share Capital to be admitted to the Official List of the UKLA or to any other recognised investment exchange other than AIM. It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares on 5 July 2018.

The Company (whose registered office appears on page 2 of this Document) and the Directors (whose names appear on page 2 of this Document) accept responsibility, both individually and collectively, for the information contained in this Document, including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company, who have taken all reasonable care to ensure that such is the case, the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information. In connection with this Document no person is authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representation must not be relied upon as having been so authorised.

The information contained in this Document is as of the date hereof (unless specified to be by reference to an earlier date, in which case such information is as of such earlier date). The delivery of this Document or any subscriptions or purchases made hereunder and at any time subsequent to the date of this Document shall not, under any circumstances, create an impression that there has been no change in the affairs of the Company since the date of this Document or that the information in this Document is correct.

This Document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any jurisdiction in which such offer or solicitation is unlawful. In particular, this Document is not for distribution in or into New Zealand, Japan or any other jurisdiction in which such distribution would be unlawful. The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) nor under the securities laws of any state or other jurisdiction of the United States or any securities laws of any province or territory of Canada (where the Ordinary Shares will be issued pursuant to an exemption from the prospectus requirement), New Zealand, Australia, South Africa, Singapore or Japan nor in any country, territory or possession where to offer them without doing so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not, subject to certain limited exceptions, be offered or sold, directly or indirectly, in the United States, Canada, New Zealand, Australia, South Africa, Singapore or Japan or to, or for the account or benefit of, any person in, or any national, citizen or resident of the United States of America, Canada, New Zealand, Australia, South Africa, Singapore or Japan. The distribution of this Document outside the United Kingdom may be restricted by law and therefore persons outside the United Kingdom into whose possession this Document comes should inform themselves about and observe any restrictions as to the Placing, the Ordinary Shares or the distribution of this Document. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission (the “**SEC**”), any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the accuracy or adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

**The Ordinary Shares may be offered or sold, directly or indirectly, within, into or in the United States only to QIBs, in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act or another exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction. The Ordinary Shares are being offered outside the United States in offshore transactions within the meaning of and in accordance with Regulation S under the Securities Act. There will be no public offer of the Ordinary Shares in the United States or any other jurisdiction. Investors are hereby notified that sellers of the Ordinary Shares in the United States may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. The Company is not and does not intend to become an “investment company” within the meaning of the US Investment Company Act of 1940, as**

**amended (the “US Investment Company Act”). Accordingly, the Company is not and will not be registered under the US Investment Company Act and Investors will not be entitled to the benefits of the US Investment Company Act.**

This Document is being distributed only to, and is directed only at, persons who (A) in the United Kingdom have professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, (the “**Order**”) or are high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts or other persons falling within Articles 49(2)(a)-(d) of the Order and who in each case are also Qualified Investors (as defined below); and (B) are residents of Canada or otherwise subject to the securities laws of Canada that are “permitted clients” as defined in National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations and (C) in Australia, are sophisticated investors or professional investors as those terms are defined in sub-sections 708(8) and 708(11) of the Corporations Act and (D) in Singapore, are accredited investors or institutional investors as those terms are defined in Section 4A of the Securities and Futures Act (Cap. 289) of Singapore (the “**SFA**”) and all such persons are “**relevant persons**”. Any investment or investment activity to which this communication relates is only available to and will only be engaged in with such relevant persons and all other persons should not act or rely on this Document or any of its Contents.

This Document is not a prospectus, product disclosure statement or other offering document under the Corporations Act 2001 (Cth) (“**Corporations Act**”) or any other Australian law and will not be lodged or registered with the Australian Securities and Investments Commission or any other regulator in Australia.

This document is not a prospectus, and has not been and will not be lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore and, accordingly, statutory liability under the SFA in relation to the content of prospectuses will not apply.

In member states of the European Economic Area (the “**EEA**”), this Document is being distributed only to and is directed only at persons who are “qualified investors” within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) (as amended, including by Directive 2010/73/EU, to the extent such amendments have been implemented in the relevant Member State and including any relevant implementing measure in the relevant Member State) (“**Qualified Investors**”). Any person in the EEA who receives this Document will be deemed to have represented and agreed that it is a Qualified Investor. The Company, Numis, Berenberg, Olivetree and Scott Harris (each as defined below) and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements. Any person in the EEA who is not a Qualified Investor should not act or rely on this Document or any of its contents.

The New Ordinary Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors”, as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance or (b) in other circumstances which do not result in this document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provision) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance, and no advertisement, invitation or document relating to the New Ordinary Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong has been or will be issued or may be in the possession of any person for the purpose of issue, whether in Hong Kong or elsewhere (except if permitted to do so under the securities laws of Hong Kong), other than with respect to the New Ordinary Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

The New Ordinary Shares will not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“**SIX**”) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27ff. of the SIX Listing Rules or any of listing rules of any other stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering or marketing material relating to the Company or the New Ordinary Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of the New Ordinary Shares will not

be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of the New Ordinary Shares has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to purchasers of the New Ordinary Shares.

This document, as well as any other material relating to the New Ordinary Shares, is personal and confidential and does not constitute an offer to any other person. This document may only be used by those investors to whom it has been sent in connection with the offering described herein and may neither, directly nor indirectly, be distributed or made available to other persons without the express consent of the Company. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

The Company may in the future enter into swaps, commodity futures, options on futures, commodity options contracts and/or other instruments subject to the jurisdiction of the US Commodity Futures Trading Commission (the “CFTC”, with such instruments being “**Regulated CFTC Instruments**”). For example, certain royalty, streaming or similar arrangements (as referenced in paragraph 3 of Part II of this Document) may, depending on their structure, be Regulated CFTC Instruments. If the Company does acquire or enter into such instruments, it expects that it would only do so in a manner that either (i) does not cause the Company to be a “commodity pool” under the US Commodity Exchange Act of 1936, as amended (the “CEA”), and the regulations promulgated thereunder (the “**CFTC Regulations**”); or (ii) if the Company is caused to be a commodity pool, permits the Directors to qualify for an exemption from the registration requirements applicable to a commodity pool operator (“CPO”) in accordance with CFTC Regulation 4.13(a)(3) (the “**CFTC Registration Exemption**”); or (iii) if the Company is caused to be a commodity pool and if the CFTC Registration Exemption is not available, permits the Directors to avail themselves of relief from disclosure, reporting and recordkeeping requirements available to certain registered CPOs under CFTC Regulation 4.7.

If the Directors rely on the CFTC Registration Exemption, they expect to satisfy the requirements on the basis that (i) the Ordinary Shares are exempt from registration under the Securities Act and are not offered and sold through a public offering in the United States; (ii)(a) at all times the aggregate initial margin and premiums required to establish positions in the Regulated CFTC Instruments, determined at the time the most recent position was established, will not exceed 5% of the liquidation value of the Company or (b) the aggregate net notional value of the Company’s positions in Regulated CFTC Instruments, determined at the time the most recent position was established, will not exceed 100% of the Company’s liquidation value; (iii) purchasers of the Ordinary Shares will be generally limited to “accredited investors” as that term is defined in Section 501 of Regulation D under the Securities Act, trusts formed by an accredited investor for the benefit of a family member, “knowledgeable employees” as that term is defined in Regulation Section 3c-5(a)(4) under the Investment Company Act, or “qualified eligible persons” as that term is defined in CFTC Regulation Section 4.7(a)(2)(viii)(A); and (iv) the Company is not, and is not marketed as, a vehicle for trading in the commodity futures or commodity options markets.

If the Directors rely on the CFTC Registration Exemption, they will need to file notices of exemption with the National Futures Association on behalf of the Company. Therefore, unlike registered CPOs, the Directors will not be required to comply with the disclosure, reporting and recordkeeping requirements normally applicable to a registered CPO, including requirements to deliver a CFTC disclosure document to prospective investors and to provide investors with certified annual reports prepared in accordance with the relevant CFTC Regulations.

In making any investment decision in respect of the Ordinary Shares, no information or representation should be relied upon other than as contained in this Document. No person has been authorised to give any information or make any representation other than that contained in this Document and, if given or made, such information or representation must not be relied upon as having been authorised.

Neither the Company nor the Directors are providing prospective investors with any representations or warranties or any legal, financial, business, tax or other advice. Prospective investors should consult with their own advisers as needed to assist them in making their investment decision and to advise them as to whether they are legally permitted to purchase the Ordinary Shares.

Neither the Company nor any person acting on its behalf accepts any responsibility or obligation to update, review or revise the information in this Document or to publish or distribute any information which comes to its attention after the date of this Document, and the distribution of this Document



shall not constitute a representation by the Company or any such person that this Document will be updated, reviewed, revised or that any such information will be published or distributed after the date hereof.

In addition, prospective investors should note that, except with the express consent of the Company given in respect of an investment in the Placing, the Ordinary Shares may not be acquired by investors using assets of (i) any employee benefit plan subject to Title I of the US Employee Retirement Income Security Act of 1974, as amended (“ERISA”), (ii) a plan, individual retirement account or other arrangement that is subject to section 4975 of the US Internal Revenue Code of 1986, as amended (the “US Tax Code”), (iii) entities whose underlying assets are considered to include “plan assets” of any plan, account or arrangement described in preceding clause (i) or (ii), or (iv) any governmental plan, church plan, non-US plan or other investor whose purchase or holding of Ordinary Shares would be subject to any state, local, non-US or other laws or regulations similar to Title I of ERISA or section 4975 of the US Tax Code or that would have the effect of the regulations issued by the US Department of Labor set forth at 29 CFR section 2510.3-101, as modified by section 3(42) of ERISA. For further details see paragraph 2 of Part VI of this Document.

A copy of this Document has been delivered to the Jersey Registrar of Companies (the “Registrar”) in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and the Jersey Registrar of Companies has given, and has not withdrawn, consent to its circulation. The Jersey Financial Services Commission (“JFSC”) has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of securities in the Company. The JFSC is protected by the Control of Borrowing (Jersey) Law 1947 against liability arising from the discharge of its functions under that law. It must be distinctly understood that, in giving these consents, neither the Jersey Registrar of Companies nor the JFSC takes any responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to it. If you are in any doubt about the contents of this Document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. The Directors have taken all reasonable care to ensure that the facts stated in this Document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. All the Directors accept responsibility accordingly. It should be remembered that the price of securities and the income from them can go down as well as up.

Nothing in this Document or anything communicated to holders or potential holders of the Ordinary Shares is intended to constitute or should be construed as advice on the merits of, the purchase of or subscription for, the Ordinary Shares or the exercise of any rights attached to them for the purposes of the Financial Services (Jersey) Law 1998.

Numis which is regulated in the UK by the FCA, is acting as the Company’s nominated adviser, joint broker and joint bookrunner in connection with the proposed Placing and Admission. Numis’ responsibilities as the Company’s nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or shareholder, or to any other person in respect of his decision to acquire Ordinary Shares. No representation or warranty, express or implied, as to the contents of this Document is made by Numis, and no liability whatsoever is accepted by Numis for, the accuracy of any information or opinions contained in this Document or for the omission of any material information from this Document for which the Company and the Directors are responsible. Numis will not be responsible to any person other than the Company for providing the protections afforded to its clients or for advising any other person on the contents of this Document or any transaction or arrangement referred to herein. Numis has not authorised the contents of any part of this document for the purposes of FSMA.

Berenberg, which is authorised and regulated by the German Federal Financial Supervisory Authority and subject to limited regulation in the UK by the FCA, is acting as the Company’s joint bookrunner and joint broker in connection with the proposed Placing and Admission. No representation or warranty, express or implied, is made by Berenberg as to, and no liability whatsoever is accepted by Berenberg for, the accuracy of any information or opinions contained in this Document or for the omission of any material information from this Document for which the Company and the Directors are solely responsible. Berenberg will not be offering advice and will not otherwise be responsible for providing the protections afforded to its clients to recipients of this Document in respect of any acquisition of Ordinary Shares.

Olivetree, which is regulated in the UK by the FCA, is acting as the Company's selling agent in connection with the proposed Placing and Admission. No representation or warranty, express or implied, is made by Olivetree as to, and no liability whatsoever is accepted by Olivetree for, the accuracy of any information or opinions contained in this Document or for the omission of any material information from this Document for which the Company and the Directors are solely responsible. Olivetree will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this Document in respect of any acquisition of Ordinary Shares.

Scott Harris, which is authorised and regulated in the UK by the FCA, is acting as the Company's selling agent in connection with the proposed Placing and Admission. No representation or warranty, express or implied, is made by Scott Harris as to, and no liability whatsoever is accepted by Scott Harris for, the accuracy of any information or opinions contained in this Document or for the omission of any material information from this Document for which the Company and the Directors are solely responsible. Scott Harris will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this Document in respect of any acquisition of Ordinary Shares.

**An investment in the Company may not be suitable for all recipients of this Document. Any such investment is speculative and involves a high degree of risk. Prospective purchasers of Ordinary Shares should carefully consider whether an investment in the Company is suitable for them in light of their circumstances and the financial resources available to them. Attention is drawn, in particular, to the Risk Factors set out in Part III of this Document.**

## IMPORTANT INFORMATION

Investment in the Company carries risk. There can be no assurance that the Company's strategy will be achieved and investment results may vary substantially over time. Investment in the Company is not intended to be a complete investment programme for any investor. The price of the Ordinary Shares and any income from Ordinary Shares can go down as well as up and shareholders may not realise the value of their initial investment. Prospective shareholders should carefully consider whether an investment in Ordinary Shares is suitable for them in light of their circumstances and financial resources and should be able and willing to withstand the loss of their entire investment (see the Risk Factors set out in Part III of this Document).

Potential shareholders contemplating an investment in the Ordinary Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant upon the performance of the Company. No assurance is given, express or implied, that Shareholders will receive back the amount of their investment in the Ordinary Shares.

This Document should be read in its entirety before making any investment in the Company.

Certain statements contained herein are forward looking statements and are based on current expectations, estimates and projections about the potential returns of the Company and the industry and markets in which the Company will operate, the Directors' beliefs and assumptions made by the Directors. Words such as "expects", "anticipates", "should", "intends", "plans", "believes", "seeks", "estimates", "projects", "pipeline", "aims", "may", "targets", "would", "could" and variations of such words and similar expressions are intended to identify such forward looking statements and expectations. These statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties and assumptions that are difficult to predict, qualify or quantify. Therefore, actual outcomes and results may differ materially from what is expressed in such forward looking statements or expectations. Among the factors that could cause actual results to differ materially are: uranium price volatility, difficulty in sourcing opportunities to buy or sell U<sub>3</sub>O<sub>8</sub>, foreign exchange rates, changes in political and economic conditions, competition from other energy sources, nuclear accident, loss of key personnel or termination of the Services Agreement, changes in the legal or regulatory environment, insolvency of counterparties to the Company's material contracts or breach of such material contracts by such counterparties. These forward-looking statements speak only as at the date of this Document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

Various figures and percentages in tables in the Document, including the market data presented in Part II of this Document, have been rounded. As a result of this rounding, the totals of data presented in this Document may vary slightly from the actual arithmetical totals of such data.

The amount of gross proceeds of the Placing and Subscription (and therefore the net proceeds of the Placing and Subscription) set out in this Document assumes a £:US\$ exchange rate of 1:1.3272 being the mid market rate on Bloomberg at 5:00 p.m. (UK time) on 25 June 2018. URC are paying US\$20 million in aggregate for the 7,600,000 New Ordinary Shares they are subscribing for. As a result, the amount of gross and net proceeds of the Placing and Subscription, which is expressed in pounds sterling, may increase or decrease from the number set out in this Document to reflect exchange rate fluctuations between the date of this Document and Admission.

## INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that they are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to New Ordinary Shares. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.



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## KEY INFORMATION

### PLACING STATISTICS

Number of Existing Ordinary Shares	10,000
Number of Placing Shares	67,811,934
Number of Subscription Shares	7,807,651
Number of Expenses Shares	547,045
Number of New Ordinary Shares	76,166,630
Issue Price	200p
Total number of Ordinary Shares in issue immediately following Admission	76,176,630
Percentage of Enlarged Share Capital represented by New Ordinary Shares	99.99%
Gross proceeds of the Placing and the Subscription	£151,108,490 <sup>†</sup>
Net proceeds of the Placing and the Subscription	£144,357,553 <sup>†</sup>
Estimated market capitalisation of the Company at Admission at the Issue Price	£152,353,260
ISIN Code for Ordinary Shares	JE00BF50RG45
AIM symbol	YCA
SEDOL	BF50RG4
LEI	213800CVMYUGOA9EZY95

### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2018
Pricing of the New Ordinary Shares	26 June <sup>1</sup>
Publication of this Document	28 June
Admission and dealings expected to commence in the Enlarged Share Capital on AIM	8:00 a.m. on 5 July
CREST stock accounts credited in respect of New Ordinary Shares in uncertificated form	5 July
Share certificates in respect of New Ordinary Shares despatched (where applicable)	Within 10 working days of Admission

Each of the times and dates set out above and mentioned elsewhere in this Document are subject to change at the absolute discretion of the Company, Numis and Berenberg without further notice. All times are London times unless otherwise stated.

### EXCHANGE RATE

For reference purposes only, the following exchange rate has been used in this Document:

£ to US\$: 1: 1.3272

Source: Bloomberg mid market rate at 5:00 p.m. (UK time) on 25 June 2018.

<sup>†</sup> Subject to adjustment for exchange rate movement. Please see "Important Information" on page vii for further details.

<sup>1</sup> Due to the required notice period under the Kazatomprom Contract, Admission and dealings in the Enlarged Share Capital are expected to commence up to 10 days after pricing of the New Ordinary Shares.

## DIRECTORS, COMPANY SECRETARY AND ADVISERS

<b>Directors</b>	Anthony Tudor St John, The Lord St John of Bletso – Independent Non-Executive Director and Chairman Andre Leon Liebenberg – Executive Director and Chief Executive Officer Carole Helene Whittall – Executive Director and Chief Financial Officer Sofia Bianchi – Independent Non-Executive Director Alexander John Gosse Downer – Independent Non-Executive Director Alan David Rule – Independent Non-Executive Director James Alexander Keating – Independent Non-Executive Director
<b>Registered Office</b>	Yellow Cake plc 3rd Floor Liberation House Castle Street Jersey JE1 1BL
<b>Company Secretary</b>	LHJ Secretaries Limited
<b>Telephone Number</b>	+ 44 1534 885200
<b>Website</b>	<a href="http://www.yellowcakeplc.com">www.yellowcakeplc.com</a>
<b>Nominated Adviser, Joint Broker &amp; Joint Bookrunner</b>	Numis Securities Limited 10 Paternoster Square London EC4M 7LT
<b>Joint Broker and Bookrunner</b>	Joh. Berenberg, Gossler & Co. KG, London Branch 60 Threadneedle Street London EC2R 8HP
<b>Selling Agents</b>	Olivetree Financial Limited 107 Cheapside London EC2V 6DN  Scott Harris UK Limited Victoria House 1-3 College Hill London EC4R 2RA
<b>IPO Adviser</b>	Bacchus Capital Advisers Limited 6 Adam Street London WC2N 6AD
<b>Legal advisers to the Company as to English and US law</b>	Milbank, Tweed, Hadley & McCloy LLP 10 Gresham Street London EC2V 7JD
<b>Jersey Solicitors to the Company</b>	Mourant Ozannes 22 Grenville Street St. Helier Jersey JE4 8PX
<b>Legal advisers to the Nominated Adviser, Joint Brokers and Joint Bookrunners as to English and US law</b>	Norton Rose Fulbright LLP 3 More London Riverside London SE1 2AQ
<b>Reporting Accountants</b>	RSM Corporate Finance LLP 25 Farringdon Street London EC4A 4AB

**Registrars**

Link Market Services (Jersey) Limited  
12 Castle Street  
St Helier  
Jersey JE2 3RT

**Principal bankers**

Santander International  
19-21 Commercial Street  
St Helier  
Jersey JE4 8XG

**PR**

Powerscourt  
1 Tudor Street  
London EC4Y 0AH

## DEFINITIONS AND ABBREVIATIONS

The following definitions apply throughout this Document, unless the context requires otherwise:

“Admission”	the admission of the Enlarged Share Capital to trading on AIM and such Admission becoming effective in accordance with Rule 6 of the AIM Rules;
“AIM”	the market of that name operated by the London Stock Exchange;
“AIM Rules”	together the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
“AIM Rules for Companies”	the AIM Rules for Companies, together with the guidance notes set out in Part Two thereof, issued by the London Stock Exchange, as amended, modified or supplemented from time to time;
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers issued by the London Stock Exchange, as amended, modified or supplemented from time to time;
“Articles”	the Company’s articles of association as at Admission, a summary of which is set out in paragraph 6 of Part IV of this Document;
“Bacchus Capital”	Bacchus Capital Advisers Limited;
“Berenberg”	Joh. Berenberg, Gossler & Co. KG, London Branch, joint bookrunner and joint broker to the Company;
“Cameco”	Cameco Corporation, a corporation incorporated under the laws of Canada, having its head office in Saskatoon, Saskatchewan, Canada;
“certificated” or in “certificated form”	a share or security which is not in uncertificated form;
“CFTC”	has the meaning given on page iv of this Document;
“Chairman”	means The Lord St John of Bletso, or the Chairman of the Board from time to time, as the context requires;
“Change of Control”	means the acquisition of Control of the Company by any person or party (or by any group of persons or parties who are acting in concert);
“City Code”	The City Code on Takeovers and Mergers issued and administered by the UK Panel on Takeovers and Mergers, as amended, modified or supplemented from time to time;
“Company” or “Yellow Cake” or “Issuer”	Yellow Cake plc, a public limited company incorporated in Jersey with registration number 125612;
“Conversion Facility”	one of the following conversion facilities: (i) the Cameco facilities located at Blind River and Port Hope, Ontario, Canada; (ii) the Metropolis plant of Honeywell International Inc. (ConverDyn) located at Metropolis, Illinois, USA; or (iii) the Orano (previously Areva) facility located at Malvesi, France;
“Converter” or “Converters”	has the meaning given in paragraph 2.2(b) of Part I of this Document;
“Control”	(i) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to: (a) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the Company; or (b) appoint or remove all, or the majority, of the Directors or other equivalent officers of the Company; or (c) give directions with respect to the operating and financial policies of the Company with which the Directors or other equivalent officers of the Company are obliged to comply; and/or (ii) the beneficial holding of more than 50% of the issued shares of the Company (excluding any issued shares that carry no right to



	participate beyond a specified amount in a distribution of either profits or capital);
<b>“CREST”</b>	the relevant system (as defined in CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear;
<b>“CREST Regulations”</b>	Companies (Uncertificated Securities) Jersey Order 1999, as amended, modified or supplemented from time to time, and such other regulations as are applicable to Euroclear and/or CREST;
<b>“Directors” or “Board”</b>	the board of directors of the Company as at the date of this Document, whose names are set out on page 2 of this Document;
<b>“Disclosure and Transparency Rules” or “DTR”</b>	the Disclosure and Transparency Rules published by the FCA from time to time in its capacity as the UKLA under Part VI of FSMA, as amended, and contained in the UKLA publication of the same name;
<b>“Document”</b>	this admission document;
<b>“EEA”</b>	the European Economic Area;
<b>“Enlarged Share Capital”</b>	the issued share capital of the Company immediately following the Admission, comprising of the Existing Ordinary Shares and the New Ordinary Shares;
<b>“ERISA”</b>	means the US Employee Retirement Income Security Act of 1974, as amended;
<b>“EU”</b>	means the Member States of the European Union;
<b>“Euroclear”</b>	means Euroclear Bank S.A./N.V.;
<b>“Existing Ordinary Shares”</b>	the issued share capital of the Company as at the date of this Document, comprising 10,000 Ordinary Shares;
<b>“Expenses Shares”</b>	the New Ordinary Shares to be issued by the Company pursuant to the arrangements set out in paragraph 20.15 of Part IV of this Document;
<b>“FCA”</b>	the Financial Conduct Authority of the United Kingdom or any successor body;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended, modified or supplemented from time to time;
<b>“GWe”</b>	a giga-watt of energy;
<b>“HMRC”</b>	Her Majesty’s Revenue and Customs;
<b>“Initial KAP Quantity”</b>	8,091,385 lb of U <sub>3</sub> O <sub>8</sub> , to be delivered (by way of book transfer) by Kazatomprom to Yellow Cake on the date of Admission;
<b>“Initial Quantity”</b>	the Initial KAP Quantity and any other U <sub>3</sub> O <sub>8</sub> to be acquired by the Company using the net proceeds of the Placing and the Subscription;
<b>“Issue Price”</b>	200p per Ordinary Share;
<b>“Jersey Companies Law”</b>	the Companies (Jersey) Law 1991, as amended, modified or supplemented from time to time;
<b>“Joint Bookrunners”</b>	together, Numis and Berenberg (each a Joint Bookrunner);
<b>“kWh”</b>	a kilo-watt hour of energy;
<b>“Kazatomprom”</b>	Joint Stock Company National Atomic Company Kazatomprom, a company existing under the laws of Kazakhstan, having its registered office at 10, Kunaev Street, Astana 010000, Republic of Kazakhstan;
<b>“Kazatomprom Contract”</b>	the agreement relating to the sale and purchase of U <sub>3</sub> O <sub>8</sub> made between the Company and Kazatomprom dated 18 May 2018, as amended;

<b>“Last Practicable Date”</b>	25 June 2018;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Market Abuse Regulation”</b>	the Market Abuse Regulation (Regulation 596/2014);
<b>“MWh”</b>	a megawatt hour of energy;
<b>“mmlb”</b>	a million pounds (in weight);
<b>“NEA”</b>	Nuclear Energy Association;
<b>“New Ordinary Shares”</b>	together the Placing Shares, the Subscription Shares and the Ordinary Shares issued to certain individuals and advisers to the Company on Admission, as set out in paragraph 20.15 of Part IV of this Document;
<b>“Numis” or “Nominated Adviser”</b>	Numis Securities Limited, nominated adviser, joint bookrunner and joint broker to the Company;
<b>“Official List”</b>	the official list mandated by the FCA;
<b>“Olivetree”</b>	Olivetree Financial Limited, Selling Agent;
<b>“ordinary resolution”</b>	a resolution of the Company in general meeting adopted by a simple majority of the votes cast by Shareholders at that meeting;
<b>“Ordinary Shares”</b>	ordinary shares of £0.01 each in the capital of the Company;
<b>“Placee”</b>	a person subscribing for Placing Shares under the Placing at the Issue Price;
<b>“Placing”</b>	the conditional placing by Numis and Berenberg on behalf of the Company of the Placing Shares at the Issue Price pursuant to the Placing Agreement;
<b>“Placing Shares”</b>	the 67,811,934 new Ordinary Shares to be issued by the Company pursuant to the Placing;
<b>“Plan Asset Regulations”</b>	means the regulations promulgated by the US Department of Labor at 29 CFR 2510.3-101, as modified by section 3(42) of ERISA;
<b>“Plan Investor”</b>	means any entity (i) that is an “employee benefit plan” subject to Part 4 of Subtitle B of Title I of ERISA, (ii) that is a plan, individual retirement account or other arrangement that is subject to section 4975 of the US Tax Code, (iii) whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement or (iv) any governmental plan, church plan, non-US plan or other investor whose purchase or holding of Ordinary Shares would be subject to any Similar Laws;
<b>“Premium Listing”</b>	means a premium listing under Chapter 6 of the Listing Rules;
<b>“Prospectus Rules”</b>	means the prospectus rules of the UKLA made in accordance with section 73A of FSMA, as amended from time to time;
<b>“Qualified Institutional Buyer” or “QIB”</b>	has the meaning given by Rule 144A;
<b>“Registrar”</b>	Link Market Services (Jersey) Limited;
<b>“Regulation S”</b>	means Regulation S under the Securities Act;
<b>“Rule 144A”</b>	means Rule 144A under the Securities Act;
<b>“Scott Harris”</b>	Scott Harris UK Limited, Selling Agent;
<b>“SEC”</b>	the US Securities and Exchange Commission;
<b>“Securities Act”</b>	the US Securities Act of 1933, as amended;
<b>“Services Agreement”</b>	the services agreement made between the Company and 308 Services dated 30 May 2018, as amended;
<b>“Shareholder”</b>	a holder of Ordinary Shares;

<b>“Significant Shareholder”</b>	a Shareholder holding 3% or more of the Ordinary Shares, current details of whom are set out in paragraph 5 of Part IV of this Document;
<b>“Similar Laws”</b>	any state, local, non-US or other laws or regulations similar to Part 4 of Subtitle B of Title I of ERISA or section 4975 of the US Tax Code or that would have the effect of the Plan Asset Regulations;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“special resolution”</b>	a resolution of the Company in general meeting adopted by the votes of members representing not less than 75% of the total voting rights of the members who (being entitled do so) vote, as provided by the Articles;
<b>“Standard Listing”</b>	a standard listing under Chapter 14 of the Listing Rules;
<b>“Storage Contract”</b>	the U <sub>3</sub> O <sub>8</sub> transfer and storage account agreement made between Cameco and the Company dated 29 May 2018;
<b>“Subscription”</b>	the conditional direct subscriptions for the Subscription Shares pursuant to the Subscription Agreement and the Subscription Letters;
<b>“Subscription Agreement”</b>	the subscription agreement dated 7 June 2018 between the Company and URC, as amended on 28 June 2018;
<b>“Subscription Letters”</b>	the subscription letters described at paragraph 7 of Part I of this Document;
<b>“Subscription Shares”</b>	the 7,600,000 new Ordinary Shares to be issued by the Company pursuant to the Subscription Agreement (the “URC Subscription Shares”) and the new Ordinary Shares to be issued by the Company pursuant to the Subscription Letters;
<b>“Target Storage Cost”</b>	shall be set initially at US\$0.12 per pound per year, and shall be reviewed by Yellow Cake and 308 Services, acting reasonably and in good faith, based on the their reasonable assessment of the market rate for storage at the time of such review, every January, commencing on 1 January 2021;
<b>“TkWh”</b>	a tera-kilowatt hour of energy (being 1x10 <sup>12</sup> kWh);
<b>“U<sub>3</sub>O<sub>8</sub>”</b>	triuranium octoxide;
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“UKLA”</b>	the United Kingdom Listing Authority, being the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
<b>“United States” or “US”</b>	has the meaning given to the term “United States” in Regulation S;
<b>“uranium price” or “uranium spot price”</b>	the spot price per pound of U <sub>3</sub> O <sub>8</sub> , as published regularly by certain public data sources, including both the UxC and TradeTech (and as described further in paragraph 1.3(e) of Part II of this Document);
<b>“URC”</b>	Uranium Royalty Corporation (registered in Canada under the Canada Business Corporations Act with no. 1020199-5) whose registered office is at 1000-925 West Georgia Street, Vancouver BC, Canada;
<b>“US Investment Company Act”</b>	the US Investment Company Act of 1940, as amended;
<b>“US Plan Investor”</b>	(i) an employee benefit plan as defined in section 3(3) of ERISA (whether or not subject to the provisions of Title I of ERISA, but excluding plans maintained outside of the US that are described in Section 4(b)(4) of ERISA); (ii) a plan, individual retirement account or other arrangement that is described in Section 4975 of the US Tax Code, whether or not such plan, account or arrangement is subject to Section 4975 of the US Tax Code; (iii) an insurance company using general account assets, if such general account

assets are deemed to include assets of any of the foregoing types of plans, accounts or arrangements for purposes of Title I of ERISA or Section 4975 of the US Tax Code; or (iv) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA of Section 4975 of the US Tax Code;

**“US Tax Code”**

the US Internal Revenue Code of 1986, as amended;

**“uncertificated” or “in uncertificated form”**

recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST;

**“UxC”**

Ux Consulting Company;

**“UK Companies Act”**

the Companies Act 2006, as amended, modified or supplemented from time to time;

**“US\$”**

the lawful currency of the United States.

**“VAT”**

UK value added tax;

**“WNA”**

the World Nuclear Association;

**“308 Services”**

308 Services Limited, a private limited company incorporated in Jersey with registration number 125611; and

**“£”**

the lawful currency of the United Kingdom.

## PART I

### INFORMATION ON THE COMPANY AND THE PLACING

#### 1. INTRODUCTION

Yellow Cake plc is a specialist company operating in the uranium sector, created to purchase and hold  $U_3O_8$  with the objectives of:

- (i) offering Shareholders exposure to the uranium price; and
- (ii) exploiting a range of expected opportunities connected with owning  $U_3O_8$ , such as the trading of  $U_3O_8$ , optimisation of logistics associated with the trading of  $U_3O_8$ , generating revenue from the lending of  $U_3O_8$  and uranium-based financing initiatives such as commodity streaming and royalties.

The strategy of the Company is to invest in long-term holdings of  $U_3O_8$  and not to actively speculate with regard to short-term changes in the uranium price. Investors in the Company have the ability to invest in  $U_3O_8$  in a manner that does not directly involve the risks associated with investment in companies which explore for, develop, mine or otherwise process uranium.

Yellow Cake intends to utilise between 90% and 95% of the net proceeds from the Placing and the Subscription to purchase  $U_3O_8$ . The remainder of the net proceeds are to be used for exploiting other commercial opportunities and general corporate purposes.

#### 2. INVESTMENT OPPORTUNITY

##### 2.1 Strategy

Currently, the global markets offer limited options for gaining exposure to the uranium price. Yellow Cake is intended to be a uranium focused company without exploration, development, mining or processing risk, and will gain uranium price exposure via the expertise of its executive management, the experience of its other Directors and assistance from 308 Services.

Yellow Cake aims to provide Shareholders with long-term cumulative exposure to the uranium price and the uranium market generally by utilising Yellow Cake's executive management's expertise and market knowledge to:

- (i) supported by 308 Services, purchase, sell and trade  $U_3O_8$  in the spot market, through the Kazatomprom Contract and through any other long-term contracts entered into by the Company to generate value for Shareholders;
- (ii) supported by 308 Services, manage the logistics and storage of  $U_3O_8$  in a cost efficient and safe manner; and
- (iii) seek out and execute operational and financial transactions to secure exposure to uranium projects and the uranium price, including:
  - (a) lending of  $U_3O_8$ ;
  - (b) acquisition of production or synthetic production interests in uranium via commodity streaming, royalties or similar mechanisms; and
  - (c) any other opportunities identified by the Board that are consistent with the Company's strategy.

As part of this strategy, the Company has agreed with Uranium Royalty Corporation, who are subscribing for the URC Subscription Shares, to, among other things, work together in a mutually beneficial, strategic, cooperative manner to negotiate, finalise and agree upon the terms of a mutually agreeable strategic framework in relation to potential opportunities involving the acquisition or delivery of physical  $U_3O_8$ .

Yellow Cake is built around the objective of securing physical  $U_3O_8$  in a context that is commensurate with the emerging supply side discipline in the uranium market and avoiding risk around mining and mine development. In that context, a cooperation with URC allows Yellow Cake to diversify its sources of physical  $U_3O_8$ , provides the opportunity to explore access to physical  $U_3O_8$  through a variety of financing structures, as well as the expertise of URC's management and a window into the North American market.

Further details of these mutually-beneficial strategic cooperation undertakings are set out paragraph 2.2(c) of this Part I.



## 2.2 Operations

### (a) *Supply – Kazatomprom Contract*

On 18 May 2018, Yellow Cake signed the Kazatomprom Contract, which was negotiated on Yellow Cake's behalf by 308 Services, with Kazatomprom. Under the terms of the Kazatomprom Contract, Yellow Cake is entitled, subject to the completion of the Placing and Admission, to purchase up to US\$170 million worth of U<sub>3</sub>O<sub>8</sub>, consisting of up to 8.1 mmlb of U<sub>3</sub>O<sub>8</sub>, at a price of US\$21.01 per pound. The final volume of U<sub>3</sub>O<sub>8</sub> to be purchased under this agreement, being c.8.1 mmlb of U<sub>3</sub>O<sub>8</sub>, and which will be transferred to the Company by way of book transfer at Cameco's Port Hope / Blind River facility on the date of Admission, represents approximately 88.7%<sup>†</sup> of the net proceeds of the Placing and the Subscription.

The agreed price per pound for the Initial KAP Quantity represents a discount of 9% to the uranium spot price (as reported by UxC on 18 June 2018). Additionally, under the Kazatomprom Contract, Yellow Cake has the right, but not the obligation, to acquire up to US\$100 million of U<sub>3</sub>O<sub>8</sub> from Kazatomprom per year in each of the nine calendar years commencing on 1 January 2019 at the uranium spot price from time to time, as determined in accordance with the Kazatomprom Contract. In aggregate, Yellow Cake has the option to acquire approximately US\$1.1 billion of U<sub>3</sub>O<sub>8</sub> from Kazatomprom through the Kazatomprom Contract. Up to US\$31.25 million of such U<sub>3</sub>O<sub>8</sub> in aggregate over such nine year period is subject to the purchase option granted to URC, as described at paragraph 2.2(c) of this Part I.

Kazatomprom, the state-owned uranium company of Kazakhstan, is the world's largest producer of uranium. Kazakhstan is thought to hold approximately 13% of the world's uranium resources. Kazatomprom is understood to be the world's lowest cost uranium producer and has stated that it has never failed to fulfil product delivery throughout the company's history. As the largest producer of uranium globally, the Board believes that transactions with Kazatomprom will have lower counterparty risks associated with solvency and delivery than transactions with smaller counterparties.

A purchase of all US\$170 million worth of U<sub>3</sub>O<sub>8</sub> under the Kazatomprom Contract would represent approximately one quarter of Kazatomprom's annual production (2016 marketed production, prior to Kazatomprom's recently announced production cuts as reported by the WNA) and approximately 5% of 2016 global marketed production.

Under the Kazatomprom Contract, Yellow Cake has the opportunity to agree the price at which it will purchase U<sub>3</sub>O<sub>8</sub> from Kazatomprom ahead of making an announcement regarding the proposed purchase or any required associated financing, ensuring that the Company's transactions with Kazatomprom can be conducted at an undisturbed market price for the duration of the Kazatomprom Contract.

For additional details on the Kazatomprom Contract please refer to paragraph 10.9 of Part IV of this Document.

### (b) *Storage arrangements – Cameco*

On 29 May 2018, Yellow Cake signed the Storage Contract, which was negotiated on Yellow Cake's behalf by 308 Services, with Cameco, for the storage of Yellow Cake's U<sub>3</sub>O<sub>8</sub> to be acquired in conjunction with the Placing and the Subscription, in a storage account at Cameco's Port Hope / Blind River facility. For additional details on the Storage Contract, please refer to paragraph 10.10 of Part IV of this Document.

All U<sub>3</sub>O<sub>8</sub> owned by Yellow Cake will be stored by a small number of licensed operators (each a "**Converter**" or collectively, "**Converters**") at licensed Conversion Facilities, which are located in Canada, France and the United States. 308 Services, on behalf of Yellow Cake, will negotiate any additional storage arrangements with Converters. The Company will require 308 Services to ensure, as part of such negotiations, that Converters provide satisfactory indemnities for the benefit of Yellow Cake or to ensure that Yellow Cake has the benefit of insurance arrangements obtained on standard industry terms. It is expected that any transfers at the Conversion Facilities will be by book transfer and that Yellow Cake will not have the right to remove, or request the removal of, the U<sub>3</sub>O<sub>8</sub> held in storage on its behalf (unless a certain event occurs, such as the termination of the relevant storage contract).

<sup>†</sup> Subject to adjustment for exchange rate movement. Please see "Important Information" on page vii for further details.

**(c) Strategic relationship with URC**

URC is a uranium royalty and streaming company, with its headquarters in Canada. URC's management and advisory team includes individuals who have significant experience in the uranium sector accumulated over a number of years. URC's long-term strategy is to build exposure to uranium and enhance shareholder value through the disciplined acquisition of uranium royalties, streams and similar interests by leveraging its strong management team and financial capabilities.

On 7 June 2018, the Company entered into the Subscription Agreement with URC, pursuant to which:

- (i) URC has agreed to inform Yellow Cake of any potential opportunities that it identifies in relation to the purchase and taking delivery of physical  $U_3O_8$  by URC. If such opportunities are identified, the parties will work together in good faith to negotiate, finalize and agree upon the terms of a strategic framework, that is mutually agreeable from a commercial standpoint for both parties (including as to form and consideration) and a potential participation by the Company with URC in such opportunities;
- (ii) Yellow Cake has agreed to inform URC of any opportunities for royalties, mineral streams or similar interests identified by Yellow Cake and URC has an irrevocable option to elect to acquire up to 50% of any such opportunity alongside Yellow Cake, in which case the parties shall work together in good faith to pursue any such opportunities jointly; and
- (iii) URC and the Company have agreed to, so far as it is commercially reasonable to do so, cooperate to identify potential opportunities to work together on other uranium related joint participation endeavours.

In addition, the Company has granted URC an option to acquire between US\$2.5 million and US\$10 million worth of  $U_3O_8$  per year in each of the nine calendar years commencing on 1 January 2019, up to a maximum aggregate amount over such nine year period of US\$31.25 million worth of  $U_3O_8$ . If URC exercises its option, the Company will exercise its rights under the Kazatomprom Contract to acquire the relevant quantity of  $U_3O_8$  from Kazatomprom and sell such quantity of  $U_3O_8$  to URC at same price at which it acquired the  $U_3O_8$  pursuant to the Kazatomprom Contract.

Further details of the Subscription Agreement are set out in paragraph 10.6 of Part IV of this Document.

**(d) Working capital**

As one of the investment objectives of Yellow Cake is the appreciation in the value of its  $U_3O_8$  holdings, the expenses of Yellow Cake are required to be satisfied by cash on hand that is not otherwise invested in  $U_3O_8$ .

**(e) Sales and purchases of  $U_3O_8$**

As uranium is a regulated commodity, Yellow Cake expects to make purchases of  $U_3O_8$  at the Conversion Facilities by book transfer only. In a typical book transfer at a Conversion Facility, the change in ownership of the commodity will be recorded by the Converter, however, the physical commodity will not move from the Conversion Facility. When purchasing  $U_3O_8$  by book transfer, Yellow Cake will need to be approved by the Converter to store  $U_3O_8$  in the relevant Conversion Facility. In an instance where Yellow Cake is selling  $U_3O_8$  by book transfer, the buyer will, equally, need to have been approved by both Yellow Cake and the Converter. Yellow Cake has been approved by Cameco to store  $U_3O_8$  in a storage account at its Port Hope / Blind River facility. Any owner wishing to transfer  $U_3O_8$ , or other nuclear materials from this Conversion Facility, will require specific licences and approvals from the Canadian government and Yellow Cake has agreed, in the Storage Contract, not to remove its  $U_3O_8$  save in certain specified circumstances, with transfers instead being by book transfer. For additional details on the Storage Contract and the licence and approval process to store  $U_3O_8$  in Canada, please refer to paragraph 2.2 of Part II of this Document.

### 3. COMMERCIAL STRATEGY

The strategy of Yellow Cake is to invest in long-term holdings of  $U_3O_8$  and not to actively speculate with regard to short-term changes in the uranium price. Investors in Yellow Cake have the ability to invest in  $U_3O_8$  in a manner that does not directly involve the risks associated with investment in companies which explore for, develop, mine or otherwise process uranium.

The Board has established the following corporate policies in order to guide the Company's management team in achieving its corporate strategy:

- (i) between 90% and 95% of the net proceeds of the Placing and the Subscription will be invested in, or held for future purchases of,  $U_3O_8$ ;
- (ii) Yellow Cake will not enter into any arrangements to borrow monies except in strictly limited circumstances, such as to facilitate  $U_3O_8$  purchase payments;
- (iii) the Company will, in making purchases, sales and trades of  $U_3O_8$ , give due consideration to the recommendations made by 308 Services in accordance with the Services Agreement. In such capacity, 308 Services will support the CEO and CFO of Yellow Cake in identifying opportunities to purchase, sell and trade  $U_3O_8$  at the best prices available to it over a prudent period of time, and, where relevant, assisting with the implementation of the same under the direction of the Yellow Cake executive team;
- (iv) given that the quantities of  $U_3O_8$  the Company may potentially purchase in the future are of sufficient size to potentially impact the uranium price, the Company's preferred manner of purchasing future volumes of  $U_3O_8$  is through the Kazatomprom Contract;
- (v) while Kazatomprom is its preferred supplier of  $U_3O_8$ , the Company is not obliged to purchase  $U_3O_8$  solely from Kazatomprom. In the event that the Company, or 308 Services as agent for the Company, deems that the price offered by Kazatomprom is not reflective of the price at which  $U_3O_8$ , in the proposed quantity, can be purchased in the market or elsewhere, 308 Services, on behalf of the Company, may solicit quotes for  $U_3O_8$ , in the proposed quantity, from the market. Kazatomprom, or Kazatomprom's agent, will have the right to match the average of any quotes so received for a period of five days; and
- (vi) Yellow Cake also intends to seek out and execute operational and financial transactions to secure exposure to uranium projects and the uranium price, including:
  - (a) lending of  $U_3O_8$ ;
  - (b) acquisition of production or synthetic production interests in uranium via commodity streaming, royalties or similar mechanisms; and
  - (c) any other opportunities identified by the Board that are consistent with the Company's strategy.

As part of the Company's strategy to pursue such activities, the Company has reached agreement with URC to work together in a mutually beneficial, strategic, cooperative manner, as further described in paragraph 2.2(c) of this Part I.

### 4. DIRECTORS

The Board is comprised as follows:

**The Lord St John of Bletso – *Independent Non-Executive Director and Chairman*** **Age: 61**

Anthony Tudor St John is a crossbench independent member of the House of Lords of the United Kingdom. He was a member of the Select Committee on Communications and until recently the sub-committee on Artificial Intelligence. He is Vice Chair of the All-Party Parliamentary Group on South Africa and All-Party Africa Group. He is currently a non-executive director of Albion Ventures LLP, and Chairman of IDH plc (Integrated Diagnostic Holdings), as well as Strand Hanson. Anthony was Chairman of Spiritel PLC between 2004-2012 and has also been a non-executive director of Regal Petroleum plc, Sharp Interpak Limited and Pecaso Group Inc. He has also served on the advisory boards of Infinity SDC, Chayton Capital and Ariya Capital with a focus on agriculture and African business opportunities.

The Lord St John of Bletso holds a Master of Law (LLM) in Chinese and Maritime Law from the University of London, a Baccureus Procuracionis (B.Proc) from the University of South Africa, and a Bachelor of Art (BA) and Bachelor of Social Science (B.SocSc) in Psychology from Cape Town University.

**Andre Liebenberg – Executive Director and Chief Executive Officer**

**Age: 56**

Andre Liebenberg is an experienced mining industry professional and has extensive investor marketing, finance, business development and leadership experience. Andre has spent over 25 years in private equity, investment banking, 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 Speciality 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 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 – Executive Director and Chief Financial Officer**

**Age: 46**

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. Most recently, she was Vice President, Head of M&A at ArcelorMittal Mining and member of its Mining Executive Team, responsible for global M&A, government relations and corporate and social responsibility and serving 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) from the University of Cape Town and a Master in Business Administration (MBA) from the London Business School.

**Sofia Bianchi – Independent Non-Executive Director**

**Age: 61**

Sofia Bianchi is the Founding Partner of Atlante Capital Partners, which specialises in investing in structurally undervalued businesses in emerging markets. Previously, she served as a Portfolio Manager of BlueCrest Capital Management. Sofia served as a Deputy Managing Director of the Emerging Africa Infrastructure Fund with Standard Bank London. From 1987 to 1992 Sofia held senior positions with the European Bank for Reconstruction & Development, where she was a member of its global M&A advisory team. She has extensive experience in banking, fund management and mergers & acquisitions and served as an independent non-executive director of Kenmare Resources plc from 2008 to 2017.

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

**The Hon Alexander Downer – Independent Non-Executive Director**

**Age: 66**

The Hon Alexander Downer AC was appointed Australian High Commissioner to the United Kingdom in March 2014. Alexander has had a long and distinguished political career in Australia, and was until recently the United Nations Special Adviser to the Secretary-General on Cyprus. He joined the Department of Foreign Affairs in 1976 and served at the Australian Embassy in Belgium before moving into federal politics. He served as Australia's Minister for Foreign Affairs, from 1996 to 2007, making him Australia's longest-serving Foreign Minister. Mr Downer was appointed a Companion of the Order of Australia in 2013 and was awarded the Centenary Medal in 2001.

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

**Alan Rule – Independent Non-Executive Director**

**Age: 56**

Alan Rule has more than 20 years' experience as a Chief Financial Officer and Company Secretary in the mining industry in Australia and Africa. He has considerable experience in international debt and equity financing of mining projects, implementation of accounting controls and systems, governance and regulatory requirements, and mergers and acquisitions. He currently serves as Chief Financial Officer of Australian lithium producer, Galaxy Resources. 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.

**James Keating – Independent Non-Executive Director**

**Age: 44**

James Keating is a Client Director at Langham Hall Fund Management (Jersey) Limited. He has worked in the global fund administration business for a number of years, holding directorships on various fund structures. He is presently a director on a number of boards which invest in a variety of underlying assets, notably commercial and residential real estate predominantly in the UK.

James Keating holds a Diploma in Fund Administration from the University of Manchester Business School.

## **5. OVERVIEW OF 308 SERVICES**

On behalf of Yellow Cake, 308 Services negotiated the Kazatomprom Contract, securing Yellow Cake the option to acquire approximately US\$1.1 billion of U<sub>3</sub>O<sub>8</sub> from Kazatomprom over a ten year period, negotiated the Storage Contract for the storage of U<sub>3</sub>O<sub>8</sub> at commercially attractive rates, and arranged and contracted the legal, accounting and broker advisory services required in connection with the Placing, the Subscription and Admission. For additional detail on the Kazatomprom Contract and the Storage Contract, please see paragraphs 10.9 and 10.10 of Part IV of this Document.

Save as described in this paragraph 5, 308 Services and Yellow Cake are independent of one another. 308 Services will provide advice to Yellow Cake and will at all times act at the direction of the Board.

The primary responsibilities of 308 Services under the Services Agreement are:

- (i) to use commercially reasonable efforts to recommend, and if so determined by the Company, arrange, and carry out, on behalf of the Company, purchases and sales of U<sub>3</sub>O<sub>8</sub>:
  - (1) from and to Kazatomprom pursuant to the terms of the Kazatomprom Contract; and
  - (2) through industry-standard tenders or otherwise at the best prices available to the Company,in each case as may be requested by the Board from time to time;
- (ii) to recommend, and if so determined by the Company, arrange for the storage of U<sub>3</sub>O<sub>8</sub> owned by the Company at one or several licensed uranium conversion facilities in accordance with best industry practices;
- (iii) to make recommendations to the CEO and the CFO regarding appropriate timing and terms for the purchase and sale of U<sub>3</sub>O<sub>8</sub>; and
- (iv) to assist with managing the relationships of the Company with its suppliers.

For additional detail on the Services Agreement please see paragraph 10.8 of Part IV of this Document.

308 Services will use its experience and expertise to provide advice to the Yellow Cake management and the Board, making recommendations on the potential to purchase, sell or trade U<sub>3</sub>O<sub>8</sub> in view of prevailing and expected market conditions. If so determined by the Board, all purchases, sales and trades of U<sub>3</sub>O<sub>8</sub> are and will be arranged by 308 Services for and on behalf of Yellow Cake. 308 Services will use commercially reasonable efforts to either buy, sell or trade U<sub>3</sub>O<sub>8</sub>, as directed by the Board, either through typical purchasers and sellers, such as producers, end users and traders, or through the Kazatomprom Contract.

Bacchus Capital, which will control approximately 69% of the shares in 308 Services upon Admission, will have a small shareholding in the Company, representing approximately 0.88% of the Enlarged Share Capital, on Admission.



### **308 Services Executive Team**

#### **Peter Bacchus – Director, 308 Services**

Peter Bacchus is the Chairman and Chief Executive of Bacchus Capital, an independent corporate finance and M&A platform, which brings together senior investment banking professionals and senior executives from the global natural resources industry. Peter has 25 years' experience as a global M&A adviser, with particular experience in the natural resources sector. He previously acted as Global Head of Mining and Metals at Morgan Stanley and European Head of Investment Banking at Jefferies. Prior to relocating to London in 2006, he was based in Australia and Indonesia, where he was Asia-Pacific Head of Industrials and Natural Resources Investment Banking at Citigroup.

Peter holds an MA from St John's College, Cambridge and is a Member of the Institute of Chartered Accountants in England and Wales.

#### **Paul Cahill – Director, 308 Services**

Paul Cahill is a Senior Adviser, Mineral Resources Investment for Mitsubishi Corporation and a Managing Director with Bacchus Capital. Paul has over 30 years' experience in the origination, evaluation, negotiation and execution of major complex transactions as both senior adviser and principal, particularly in the natural resources sector. Paul's experience includes roles with Morgan Grenfell & Co, Minorco, Gazelle Corporate Finance, and most recently Group Head of Business Development and Head of Strategic Relationships Management with Anglo American.

Paul holds an MA in History from New College, Oxford and is a Fellow of the Chartered Association of Certified Accountants.

#### **Jake Greenberg – Director, 308 Services**

Jake Greenberg is the CEO of Sage Enterprises Ltd., a commodity sector consulting firm. Jake has over 10 years of capital markets experience and an extensive network across the natural resource investment community. Prior to joining Sage, Jake was the Global Head of Natural Resources Specialist Sales at Bank of America Merrill Lynch, and was the number two ranked sector specialist in the Institutional Investor and Extel surveys.

Jake graduated Magna Cum Laude with a BA from Princeton.

#### **Dustin Garrow – Chief Commercial Officer, 308 Services**

Dustin Garrow has significant experience in uranium marketing and trading, and has provided consultancy services to a wide range of companies in the industry, including Bannerman Resources and Berkeley Energia. Dustin was previously a VP for ConverDyn, the sole US provider of uranium conversion services, and held senior management / marketing positions with Rocky Mountain Energy (natural resource subsidiary of Union Pacific Corporation), Everest Minerals, Energy Fuels Nuclear, World Wide Minerals and Paladin Energy.

Dustin served as Anti-Submarine Warfare / Nuclear Weapons Officer on the USS Shelton (DD-790).

## **6. DETAILS OF THE PLACING, SUBSCRIPTION AND ADMISSION**

The Placing Shares have been conditionally placed with institutional and other investors. The Placing has not been underwritten.

The New Ordinary Shares will collectively represent approximately 99.99% of the Enlarged Share Capital immediately following Admission. The New Ordinary Shares will, upon issue, be credited as fully paid and will rank *pari passu* with the Existing Ordinary Shares, including the right to receive all dividends and other distributions thereafter declared, made or paid. Immediately following Admission, approximately 0.18% of the Enlarged Share Capital will not be in public hands.

Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will be effective and that dealings in the Ordinary Shares will commence on 5 July 2018.

In the case of a Shareholder requesting New Ordinary Shares in uncertificated form, it is expected that the appropriate stock accounts of such persons will be credited on or around 5 July 2018. In the case of a Shareholder requesting New Ordinary Shares in certificated form, it is expected that certificates in respect of the New Ordinary Shares will be despatched by post within ten working days of the date of Admission.

Completion of the Placing is conditional upon Admission taking place by 8:00 a.m. on 5 July 2018 or such later date as Numis, Berenberg and the Company may agree, not being later than 3:00 p.m. on 16 July 2018.

## 7. DETAILS OF THE SUBSCRIPTION

The Company has entered into a direct Subscription Agreement with URC to subscribe for 7,600,000 Ordinary Shares for an aggregate subscription amount of US\$20 million.

Pursuant to the Subscription Agreement, the Company has agreed that, for so long as URC holds at least 10% of the outstanding voting rights in the Company, URC shall be entitled to nominate and appoint one person to be a director of the Company, provided that such appointee meets certain suitability and qualification requirements and the Company's nominated adviser from time to time has confirmed the suitability of such appointee. URC, who will hold 9.98% of the Enlarged Share Capital at Admission, will not have such right as at Admission.

The Subscription Agreement is conditional upon, *inter alia*, Admission taking place not later than 31 July 2018, the Placing Agreement becoming unconditional in all respects and the Company raising at least US\$150 million pursuant to the Placing and the Subscription.

Further details of the Subscription Agreement are set out in paragraph 10.6 of Part IV of this Document.

In addition, the Company has entered into direct conditional subscription letters with certain of the Directors and other investors pursuant to which, in aggregate, the Company will issue 207,651 Ordinary Shares on Admission (assuming full participation), of which 139,325 Ordinary Shares in aggregate are to be issued to the Directors or persons controlled by them.

## 8. REASONS FOR ADMISSION AND USE OF PROCEEDS

The Directors believe that Admission will provide the following benefits to the Company:

- use of between 90% and 95% of the net proceeds of the Placing and the Subscription to acquire a significant quantity of U<sub>3</sub>O<sub>8</sub>, enabling the Company to create value in transactions which require exposure to the uranium price in order to be successful (and upon which exposure to the uranium price can be offered to investors);
- provide the ability to raise additional capital, as and when the financial and commodity markets generate opportunities for the Company to capitalise on the uranium price, whether by exercising its right to purchase additional U<sub>3</sub>O<sub>8</sub> pursuant to the Kazatomprom Contract or otherwise; and
- enhance the profile of the Company, enabling the Company to pursue its business strategy and raise awareness amongst investors and participants in the uranium market.

The net proceeds of the Placing and the Subscription are estimated to be approximately £144,357,553<sup>†</sup> million. The Company's estimate of its use of the net proceeds is as follows:

Use of funds	Amount
Purchase of the Initial Quantity	£135,244,410
IPO expenses	£6,750,937
Acquisition expenses	£1,352,444
Working capital	£7,760,699

## 9. MANAGEMENT INCENTIVE ARRANGEMENTS

There are no management share options or share incentive arrangements in place. The Chief Executive Officer will be paid a salary of US\$125,000 per annum. The Company will pay an annual fee of US\$100,000 for the services of the Chief Financial Officer.

## **10. DIVIDEND POLICY**

Since one of the Company's objectives is to realise return on investment from the appreciation in the value of its U<sub>3</sub>O<sub>8</sub> holdings, the Company does not currently expect to issue dividends on a regular or fixed basis. The Board reserves the right to declare a dividend, as and when deemed appropriate.

## **11. PRE-EMPTION RIGHTS**

The Company's Articles contain pre-emption rights on the issue of "equity securities", subject to certain exceptions. Please see paragraph 6.2.19 of Part IV of this Document for further details. Securities laws of certain jurisdictions may restrict the Company's ability to allow Shareholders to participate in offerings of the Company's securities and to exercise such pre-emption rights.

## **12. LOCK-IN AND ORDERLY MARKET ARRANGEMENTS**

Under the Placing Agreement, the Directors have undertaken (subject to certain limited exceptions), not to dispose of the Ordinary Shares held by each of them following Admission or any other securities in exchange for or convertible into, or substantially similar to, Ordinary Shares (or any interest in them or in respect of them) at any time prior to the 12 month anniversary of Admission and additionally, not to dispose of their Ordinary Shares for a further 12 month period except in accordance with certain customary orderly market arrangements.

In aggregate, 139,325 Ordinary Shares representing 0.18% of the Enlarged Share Capital will be subject to lock-in and orderly market arrangements. Further details of the lock-in and orderly market arrangements are set out in paragraph 10.7 of Part IV of this Document.

## **13. REPORTING STANDARDS AND FINANCIAL INFORMATION**

The audited accounts of the Company will be prepared under International Financial Reporting Standards.

The Company was incorporated on 18 January 2018. The Company's annual report and consolidated accounts will be prepared up to 31 March in each year and copies of the report and accounts will be sent to Shareholders within the following six months. Shareholders will also receive an unaudited interim report covering the six month period to 30 September in each year, which will be despatched to Shareholders within the following three months. Shareholders will be sent updates on the Company's activities as and when appropriate and in accordance with the AIM Rules for Companies.

Since the Company is a newly incorporated company that has not traded, made any investments or taken on any liabilities, AIM Regulation has provided consent for a derogation from the requirements of section 20.1 of Annex I of Appendix 3 of the Prospectus Rules. Since the date of its incorporation, the Company has not yet commenced operations and has no material assets or liabilities (other than pursuant to the material contracts described in paragraph 10 of Part IV) and therefore no financial statements have been prepared as at the date of this Document.

## **14. CORPORATE STRUCTURE**

The Company is a public company limited by shares incorporated and registered in Jersey. The Company is not currently part of a group and has no subsidiaries.

## **15. CORPORATE GOVERNANCE**

The UK Corporate Governance Code applies only to companies with a Premium Listing and not to companies whose shares are admitted to trading on AIM. Under Jersey law, the directors of a Jersey company have a range of obligations and responsibilities placed upon them. These arise principally under Jersey customary law, under the Jersey Companies Law and under the Articles. There is no direct Jersey equivalent of the UK Corporate Governance Code applicable to Jersey companies listed on a non-Jersey stock exchange. However, the Directors recognise the importance of sound corporate governance and intend that the Company will comply with the provisions of the UK Corporate Governance Code, insofar as they are appropriate given the Company's size, business, stage of development, and resources. In accordance with AIM Rule 26, the Company shall include a statement to this effect on its website from Admission. The Directors intend to develop policies and procedures which further reflect the UK Corporate

<sup>†</sup> Subject to adjustment for exchange rate movement. Please see "Important Information" on page vii for further details.

Governance Code, so far as it is practicable taking into account the size and nature of the Company. Prior to the 28 September 2018 deadline, the Company plans to publish on its website details of the UK Corporate Governance Code and how it complies (and where it departs from the UK Corporate Governance Code, an explanation of the reasons for doing so).

The Board consists of seven Directors, of whom two are executive and five are non-executive. The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions. Following Admission, the Company intends to hold Board meetings at least four times each financial year, and at other times as and when required.

The Company will establish audit, remuneration and nominations committees of the Board on Admission, each with the remit briefly summarised below.

The Company will take all reasonable steps to ensure compliance by the Directors and any applicable employees with the provisions of the Market Abuse Regulation relating to dealings in the Company's securities. It has adopted a share-dealing code for this purpose.

#### **Audit committee**

The role of the audit committee is to assist the Board in fulfilling its responsibilities by, *inter alia*, reviewing and monitoring the integrity of the financial information provided to Shareholders, the Company's system of internal controls and risk management, and the external audit process and auditors. The audit committee will meet at least two times each financial year and will have unrestricted access to the Company's auditors.

On Admission, the members of the audit committee will comprise all of the Company's independent non-executive Directors and the committee will be chaired by Alan Rule.

#### **Remuneration committee**

The role of the remuneration committee is to assist the Board in fulfilling its responsibilities by, *inter alia*, determining and agreeing with the board the policy for the remuneration and benefits for all executive Directors of the Company. The remuneration committee will meet at least four times each year.

No Director shall be involved in any decisions as to his or her own remuneration.

On Admission, the members of the remuneration committee will comprise all of the Company's independent non-executive Directors and the committee will be chaired by Alexander Downer.

#### **Nominations committee**

The role of the nominations committee is to assist the Board in fulfilling its responsibilities by, *inter alia*, reviewing the structure, size and composition of the Board. The nominations committee will consider succession planning for Directors as part of its work. The nomination committee will meet at least four times each year.

On Admission, the members of the nominations committee will comprise all of the Company's independent non-executive Directors and the committee will be chaired by Lord St John of Bletso.

## **16. CITY CODE**

The City Code applies, *inter alia*, to all offers for public companies which have their registered office in the United Kingdom, the Channel Islands and the Isle of Man and whose securities are admitted to trading on certain stock exchanges in those jurisdictions, including AIM. The Company is such a company and Shareholders are entitled to the protections afforded by the City Code. Certain Shareholders in the Company may be deemed to be acting in concert for the purposes of the City Code.

Under Rule 9 of the City Code, where any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which, taken together with shares in which he is already interested or in which persons acting in concert with him are interested carry 30% or more of the voting rights of a company which is subject to the City Code, such person would normally have to extend a general offer to all shareholders to acquire their shares for cash at not less than the highest price paid by him, or any person acting in concert with him, during the 12 months prior to the announcement for the offer.

Similarly, under Rule 9 of the City Code, where any person who, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30%, but does not hold shares carrying more than 50%, of the voting rights of a company and such person, or any persons acting in concert with him, acquires an interest in any other shares in a company which is subject to the City Code which increases the percentage of shares carrying voting rights in which he is interested, such person would normally have to extend a general offer to all shareholders to acquire their shares for cash at not less than the highest price paid by him, or any person acting in concert with him, during the 12 months prior to the announcement of the offer.

Once a person, together with persons acting in concert with him, is interested in shares which in aggregate carry more than 50% of the voting rights of a company which is subject to the City Code, any further acquisition of shares would not require such a general offer.

Under the City Code, a concert party arises, *inter alia*, where persons acting together pursuant to an agreement or understanding (whether formal or informal and whether or not in writing) co-operate to obtain or consolidate control of the company. For these purposes, "control" means holding, or aggregate holdings, of an interest in shares carrying 30% or more of the voting rights of the company, irrespective of whether the holding or holdings give *de facto* control.

On Admission, the Directors in aggregate will be interested in 139,325 Ordinary Shares, representing approximately 0.18% of the Enlarged Share Capital. In the event of an offer for the Company, the Directors may be deemed to be acting in concert for the purposes of the City Code. However, following Admission and in the ordinary course of business the Directors are not assumed to be acting in concert as a result of their common directorships of the Company.

Further details of the City Code are set out in paragraph 21 of Part IV of this Document.

#### **17. CREST**

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. CREST is a voluntary system and holders of Ordinary Shares who wish to have them held outside of CREST will have their details recorded on the Company's register maintained by Link Market Services (Jersey) Limited. The Articles permit the Company to issue shares in uncertificated form in accordance with the Companies (Uncertificated Securities) (Jersey) Order 1999. Accordingly, settlement of transactions in the Ordinary Shares following Admission is expected to continue to take place within the CREST system.

Application has been made for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST upon the commencement of dealings on AIM.

#### **18. TAXATION**

Your attention is drawn to paragraphs 17, 18 and 19 of Part IV of this Document. These details are intended only as a general guide to the current tax position under UK, Jersey and United States taxation laws. If an investor is in any doubt as to his or her tax position he or she should consult his or her own independent financial adviser immediately.

#### **19. FURTHER INFORMATION AND RISK FACTORS**

Prospective investors should read the whole of this Document which provides additional information on the Company, the Placing and the Subscription and not rely on summaries or individual parts only. In particular, the attention of prospective investors is drawn to Part III which contains specific risk factors relating to investing in the Company.

Where information has been sourced from third-party external sources, this information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render this information inaccurate or misleading.

## **20. ADMISSION, SETTLEMENT AND DEALINGS**

Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Ordinary Shares on AIM will commence at 8:00 am on 5 July 2018.

The Ordinary Shares will be capable of being held in certificated or uncertificated form (i.e. in CREST).



## PART II

### OVERVIEW OF THE URANIUM MARKET

#### 1. DESCRIPTION OF MARKET

##### 1.1 Overview of Uranium

U<sub>3</sub>O<sub>8</sub>, also known as yellowcake, is produced by crushing and soaking mined uranium ore in an acid solution. The solution is then dried and filtered, resulting in a yellow powder, which consists of 80% – 90% uranium-238.

Uranium is most commonly used as a fuel for nuclear power plants. Nuclear fission is the basis of the power generation in the nuclear industry, and is the process whereby the uranium isotope uranium-235 is split into smaller particles, releasing significant amounts of energy. The first practical use of nuclear power was in 1951, when power from an experimental nuclear reactor was used to power ordinary lightbulbs. By the late 1950s, full-scale nuclear power plants had been placed in service throughout the US, the United Kingdom, Russia and France. The nuclear industry grew rapidly throughout the 1960s and 1970s, with the spread of nuclear reactors to Belgium, Bulgaria, Canada, the former Czechoslovakia, Finland, Germany, Hungary, Japan, Switzerland and Spain. Uranium is also widely used in the medical industry for research and diagnosis. Radiotherapy also uses radioisotopes in the treatment of cancer, and more powerful sources are applied to the sterilisation of syringes, bandages and other medical equipment.

##### 1.2 Uranium Demand

###### (a) General

The primary use of uranium is in production of electricity; long term energy demands, coupled with reactor construction, are the key indicator for uranium demand. Historically, the demand for uranium has been dominated by the US and France which, as at April 2018, accounted for 25.3% and 16% of operable nuclear generating capacity respectively. However, increased demand for energy is being driven by growing economies in non-OECD countries and the increased electrification of OECD economies, including expected increased demand from electric vehicles (“EVs”). In the UK alone, National Grid estimates that by 2030 EVs could require 3.5 – 8.0 GWe of additional capacity, equal to 6% – 13% of the UK’s current capacity.

As global energy demand grows, nuclear power is expected to remain a key aspect of the global energy mix. Based upon research from the EIA, global energy demand is expected to increase by 35% between 2015 and 2035. As a proportion of the global energy mix, nuclear is expected to continue to provide 11% of total energy demand, and over the same period, electricity generated from nuclear power is expected to increase by approximately 36%.

**Table 1: Expected Growth in Global Energy Demand (TkwH)**

Region	2015	2020	2025	2030	2035	Average annual change (2015-35)
<b>OECD</b>						
<b>OECD Americas</b>	<b>5,101</b>	<b>5,266</b>	<b>5,457</b>	<b>5,647</b>	<b>5,908</b>	<b>0.7%</b>
United States	4,100	4,209	4,331	4,442	4,618	0.6%
Canada	636	684	719	755	792	1.1%
Mexico and Chile	365	374	408	451	498	1.6%
<b>OECD Europe</b>	<b>3,483</b>	<b>3,623</b>	<b>3,793</b>	<b>3,998</b>	<b>4,257</b>	<b>1.0%</b>
<b>OECD Asia</b>	<b>1,822</b>	<b>1,955</b>	<b>2,093</b>	<b>2,198</b>	<b>2,307</b>	<b>1.2%</b>
Japan	997	1,045	1,070	1,070	1,072	0.4%
South Korea	543	599	669	729	781	1.8%
Australia and New Zealand	282	312	353	399	454	2.4%
<b>Total OECD</b>	<b>10,407</b>	<b>10,844</b>	<b>11,343</b>	<b>11,843</b>	<b>12,472</b>	<b>0.9%</b>
<b>Non-OECD</b>						
<b>Non-OECD Europe and Eurasia</b>	<b>1,602</b>	<b>1,623</b>	<b>1,667</b>	<b>1,710</b>	<b>1,768</b>	<b>0.5%</b>
Russia	957	966	1,002	1,038	1,077	0.6%
Other	645	656	665	672	691	0.3%
<b>Non-OECD Asia</b>	<b>8,493</b>	<b>9,807</b>	<b>10,969</b>	<b>12,034</b>	<b>13,196</b>	<b>2.2%</b>
China	5,886	6,797	7,457	7,959	8,504	1.9%
India	1,244	1,476	1,732	2,009	2,352	3.2%
Other	1,363	1,534	1,780	2,066	2,339	2.7%
<b>Middle East</b>	<b>974</b>	<b>1,064</b>	<b>1,212</b>	<b>1,376</b>	<b>1,562</b>	<b>2.4%</b>
<b>Africa</b>	<b>742</b>	<b>815</b>	<b>899</b>	<b>1,003</b>	<b>1,127</b>	<b>2.1%</b>
<b>Non-OECD Americas</b>	<b>1,212</b>	<b>1,208</b>	<b>1,314</b>	<b>1,392</b>	<b>1,487</b>	<b>1.0%</b>
Brazil	598	610	676	721	770	1.3%
Other	614	598	638	672	717	0.8%
<b>Total Non-OECD</b>	<b>13,023</b>	<b>14,516</b>	<b>16,061</b>	<b>17,516</b>	<b>19,139</b>	<b>1.9%</b>
<b>Total World</b>	<b>23,430</b>	<b>25,360</b>	<b>27,404</b>	<b>29,359</b>	<b>31,611</b>	<b>1.5%</b>

Source: EIA World Energy Outlook

**Table 2: World Net Electricity Generation By Fuel Type (TkwH)**

Fuel Type	2015	2020	2025	2030	2035	Average annual change (2015-35)
<b>Fossil</b>	<b>15,533</b>	<b>16,066</b>	<b>16,743</b>	<b>17,180</b>	<b>18,391</b>	<b>0.8%</b>
Liquids	914	823	735	572	550	(2.5)%
Gas	5,206	5,256	5,911	6,657	7,686	2.0%
Coal	9,413	9,987	10,096	9,951	10,155	0.4%
<b>Nuclear</b>	<b>2,510</b>	<b>2,753</b>	<b>2,981</b>	<b>3,231</b>	<b>3,414</b>	<b>1.5%</b>
<b>Hydro and Other</b>	<b>5,386</b>	<b>6,541</b>	<b>7,681</b>	<b>8,948</b>	<b>9,806</b>	<b>3.0%</b>
Hydro	3,850	4,239	4,587	5,062	5,363	1.7%
Wind	742	1,199	1,668	2,006	2,263	5.7%
Geothermal	76	91	122	262	317	7.4%
Solar	223	455	702	944	1,158	8.6%
Other	495	557	602	675	706	1.8%
<b>Total World</b>	<b>23,430</b>	<b>25,360</b>	<b>27,404</b>	<b>29,359</b>	<b>31,611</b>	<b>1.5%</b>

Source: EIA World Energy Outlook

**Table 3: Distribution of World Net Electricity Generation By Fuel Type**

Fuel Type	2015	2020	2025	2030	2035
Fossil	66.3%	63.4%	61.1%	58.5%	58.2%
Nuclear	10.7%	10.9%	10.9%	11.0%	10.8%
Hydro and Other	23.0%	25.8%	28.0%	30.5%	31.0%

Source: EIA World Energy Outlook

2016 saw the largest commissioning of new reactor capacity in over 25 years with an additional 9 GWe of capacity brought on line. In addition, the existing global reactor fleet is expected to grow by a further 47% through projected reactors which are either planned or under construction. The WNA estimates that in addition to the global operating fleet of 450 operating nuclear reactors, 57 reactors are under construction, 154 reactors are planned, and a further 333 reactors are proposed.

**Table 4: World Nuclear Reactor Fleet: Operating Through to Proposed<sup>(1)</sup>**

	Operating Reactors	Reactors Under Construction (% of Existing)	Planned Reactors (% of Existing)	Proposed Reactors (% of Existing)	Total Under Construction + Planned + Proposed Reactors (% of Existing)
USA	99	2 (2%)	14 (14%)	21 (21%)	37 (37%)
France	58	1 (2%)	n/a	n/a	1 (2%)
Japan	42	2 (5%)	9 (21%)	3 (7%)	14 (33%)
China	39	19 (49%)	41 (105%)	143 (367%)	203 (521%)
Russia	37	6 (16%)	25 (68%)	22 (59%)	53 (146%)
South Korea	24	4 (17%)	1 (4%)	6 (25%)	11 (46%)
India	22	6 (27%)	15 (68%)	28 (127%)	49 (223%)
Other	129	17 (13%)	49 (38%)	110 (85%)	176 (136%)
<b>Total</b>	<b>450</b>	<b>57 (13%)</b>	<b>154 (34%)</b>	<b>333 (74%)</b>	<b>544 (121%)</b>

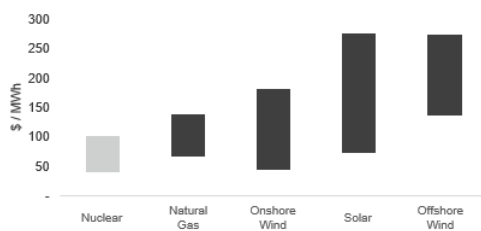
(1) As at May 2018

Source: WNA World Nuclear Power Reactors &amp; Uranium Requirements

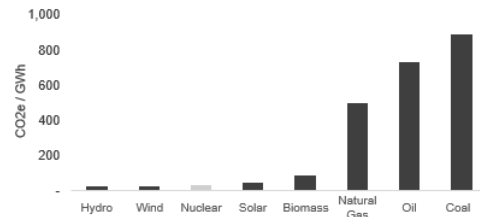
According to the WNA, the annual requirement for the current reactor fleet is 169 mmlb of uranium and, based upon the WNA reference case, the annual uranium requirement is expected to increase by 44% to 243 mmlb per annum by 2035.

Nuclear power is a reliable source of electricity generation, providing low-cost, low-carbon, baseload power, and can be used in conjunction with less reliable renewable energy sources as part of an overall green energy strategy. According to the NEA and the WNA, nuclear power remains the least expensive low-carbon power option, on par with the lowest CO<sub>2</sub> emitting renewables in terms of cost per MWh of power generation, while offering one of the lowest sources of carbon emissions per MWh.

**Figure 1: Cost of Power Generation (US\$/MWh)      Figure 2: Carbon Emissions per Unit of Power**



Source: NEA Projected Costs of Generating Electricity

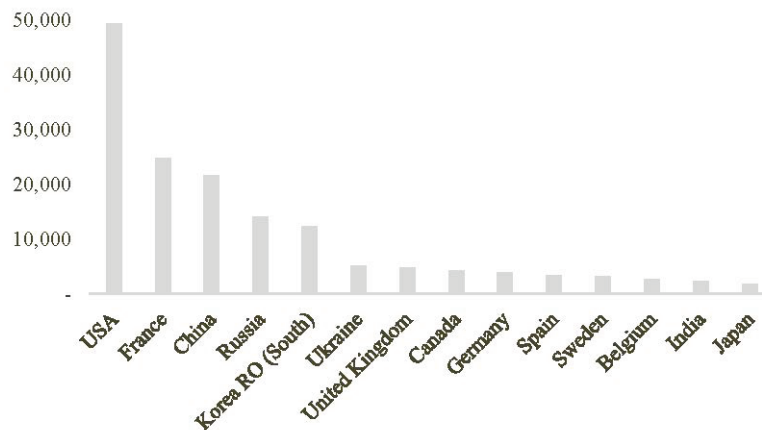


Source: WNA Comparison of Lifecycle Greenhouse Gas Emissions of Various Generational Sources

Nuclear power’s low carbon emissions per unit of power are important in the context of the Paris Agreement on Climate Change, where 195 countries signed an accord which includes a goal of limiting the increase in global temperatures to 2°C. The Paris Agreement includes significant reductions in carbon emissions, and the inclusion of nuclear power as a key part of the generation mix may play an important role in meeting carbon reduction targets.

Historically, the nuclear power sector, and therefore uranium demand, has been dominated by the US and France. However, in recent years, growth in Chinese demand for uranium has outstripped other countries, as it delivers on a planned substantial build-out of its reactor fleet, placing China ahead of Russia in standing for uranium demand, behind only the US and France.

**Figure 3: 2017 Uranium Demand by Country (mmlb)**



Source: World Nuclear Association estimates

**(b) USA**

The US is the largest producer and user of nuclear power, generating more than 30% of global nuclear electricity from its 99 reactors. After 30 years since commissioning a new reactor, the US currently has two reactors under construction which are expected to be commissioned soon after 2020. In addition, the WNA identifies 14 reactors either as on order or planned. Inexpensive shale gas and the liberalisation of some state-wide electricity markets have placed

the economic viability of some older reactors into question, and made the financing of the upfront capital expenditures required to build new reactors challenging. However, nuclear power generates an estimated 20% of US electricity, and the same low energy prices negatively impact the construction of alternative generating capacity to displace the existing nuclear capacity. At the same time, the US Nuclear Regulatory Commission has established that many of the existing US nuclear facilities' lifespans can be extended, and the Commission has granted licence renewals to over 85 reactors since 2000, indicating that while nuclear power generating capacity is not likely to grow in the US, it is expected to remain relatively steady in the near to mid-term. Over the 2015 – 2025 period, the WNA expects that seven of the 99 reactors in the US will shut down, while four new reactors are commissioned, resulting in a net reduction of three reactors from the operating fleet.

In January 2018, Energy Fuels and Ur-Energy, two Denver based uranium producers, filed a petition with the US Commerce Department under section 232 of the US Trade Act of 1962. The section 232 petition requests that the US Commerce Department investigate the effects of uranium imports on US national security. The petition notes that the US as a country is the largest buyer of uranium globally, however, US produced uranium represents less than 5% of the uranium sold in the US. The petition alleges that uranium imported from foreign sources is unfairly competing with US produced uranium due to state subsidies in the country of production.

The US decision to announce its withdrawal from the Paris Treaty is not expected to have a significant impact on future uranium demand: the US generates approximately 20% of its electric power from its 99 operating reactors and so substantial investment would be required in order to replace this production. As outlined above, nuclear power generating capacity in the US is expected to remain relatively steady in the near to mid-term.

**(c) China**

China currently has 39 nuclear reactors in operation, with an estimated 19 under construction, and a further 41 planned. In the 13<sup>th</sup> Five Year Plan announced in November 2016, the government reiterated a target of 58 GWe of nuclear power by 2020, with between six and eight nuclear reactors to be approved each year. This focus on nuclear power comes in part as the country looks for ways to feed the growing demand for electricity while reducing air pollution.

As of 2015, China's nuclear reactors provided 27 GWe of installed capacity, and required an estimated 21 mmlb of uranium per year, or c.13% of current global uranium production. The WNA reference case assumes that China achieves 45 GWe of installed nuclear capacity by 2020, which is significantly below the announced target, and 72 GWe by 2025. The WNA estimates that, with 72 GWe of installed nuclear capacity by 2025, China will require 42 mmlb of uranium per year, equivalent to 26% of current global uranium production, at a time when global uranium supply is expected to decrease by c. 3% between 2017 and 2025.

The Chinese government has been increasing purchases of uranium in recent years in order to feed its growing number of reactors' demand for fuel, as well as to build inventory for the expected fuel demand as it progresses the planned reactor build out programme.

**Table 5: China Reactor Build Out<sup>(1)</sup>**

	<b>Operating Reactors</b>	<b>Reactors Under Construction (% of Existing)</b>	<b>Planned Reactors (% of Existing)</b>	<b>Proposed Reactors (% of Existing)</b>	<b>Total Under Construction + Planned + Proposed Reactors (% of Existing)</b>
China	39	19 (49%)	41 (105%)	143 (367%)	203 (521%)

(1) As at May 2018  
Source: WNA

**(d) Russia**

Until recently having been overtaken by China, Russia was the third largest producer of nuclear energy in the world, with 37 operating nuclear reactors providing 28.9 GWe of capacity. In addition, Russia has an additional six reactors under construction, and a further 25 reactors planned, which is expected to maintain the levels of required uranium. As a major source of

demand for uranium, the potential sanctions between Russia and the US may have a material impact on the near and mid-term supply and demand dynamic. Following the issuance of sanctions against 24 Russian businessmen and government officials, Russia has threatened to halt the export of uranium to the US. US imports of uranium from Russia are expected to equal approximately seven mmlb per year. There is no clear view at this time as to whether any such halt in exports would impact the uranium price in the US, or globally, as there is potential that uranium supply would be diverted from other sources.

*(e) India*

As India is outside of the Treaty on the Non-Proliferation of Nuclear Weapons, the country has largely developed its own nuclear programme independently from other countries. As of 2018, the country had 22 reactors online, with 6.2 GWe of capacity. While the majority of India's energy plans involve coal fired electricity, part of its energy growth plan includes the six nuclear reactors under construction, and a further 15 planned reactors.

In 2012, the 12<sup>th</sup> five year plan targeted 63 GWe of installed nuclear capacity by 2032. In March 2018, the government announced that nuclear capacity would fall short of its 63 GWe target, and that total nuclear capacity is likely to be about 22.5 GWe by the year 2031. The WNA reference case sees India's uranium demand moving in pace with its nuclear capacity, increasing almost threefold, from 2.2 mmlb in 2016 to 6.4 mmlb in 2031.

*(f) Middle East*

The number of reactors currently under construction is at one of the highest points in the past two decades, with reactors being built or planned in new jurisdictions, such as Egypt, Jordan, Saudi Arabia, Turkey and the UAE. While all of these countries are experiencing an increase in energy demand, the driving themes behind the announced nuclear build-out plans are energy security and desalination.

Egypt has signed an intergovernmental agreement with Russia to build and operate four reactors, covering fuel supply, used fuel, training and development of regulatory infrastructure. A financing agreement with Russia has been signed for US\$25 billion, which has been announced to cover 85% of the project's costs, with repayments to commence on commissioning of the facilities. Notices to proceed with the contracts were signed in December 2017.

Jordan imports more than 95% of its energy needs, at a cost of approximately 20% of its GDP. The country currently has 2.4 GWe of generating capacity, and expects that 6.8 GWe of new capacity will be required by 2030. Jordan plans to construct the Qasr Amra 1 and 2 nuclear projects in order to provide 2.1 GWe of nuclear energy capacity by 2023 and 2024 as part of a larger four-reactor plan. In addition to energy security, Jordan is also facing issues related to its drinking water, as the country pumps subartesian water from the Disi / Saq aquifer, which contains elevated, but not hazardous, levels of radionuclides. Up to 40% of the capacity of any nuclear plant built on the coast would likely be used for desalination.

Saudi Arabia has announced plans to award contracts in December for the construction work on two large nuclear reactors, targeting commissioning of the facilities in 2027. As the population of Saudi Arabia, along with its desalination requirements, has increased, energy demand is expected to increase by 8% – 10% per year, with peak demand of 70 GWe in 2020, and 120 GWe by 2032. The nuclear programme is being designed in conjunction with the development of renewable energy sources in a plan to lessen the country's dependence on oil for energy production.

The UAE has completed the construction of one reactor which is expected online in 2018. This construction is part of a US\$20 billion, 5.6 GWe capacity project with a South Korean consortium to construct four commercial reactors by 2020. The nuclear project is based primarily around providing electricity for desalination for drinking water. Nuclear power was selected as the 'environmentally promising and commercially competitive option, which could make a significant base-load contribution to the UAE's economy and future energy security'. The four reactors are expected to eventually produce 25% of the UAE's electricity, at around 25% of the estimated cost of equivalent production from natural gas.



Turkey commenced construction on its first nuclear power plant at Akkuyu in April 2018, with operations expected to commence in 2023. A second reactor is scheduled to be built at Sinop, which also has a commissioning date in 2024. A third plant is being considered for construction in Igneada by a Chinese firm. As Turkey imports approximately 75% of its energy, energy security and efficiencies are priorities.

**(g) Japan**

Following the Fukushima disaster in 2011, all of the nuclear reactors in Japan were idled. To date, seven of the reactors have been restarted, with 17 additional reactors in the process of requesting or receiving approval to restart. Furthermore, there are 18 units of the pre-Fukushima reactor fleet sitting idle, two reactors are under construction, and a further nine reactors are planned. Prior to the disaster, nuclear power provided approximately 30% of the electricity in Japan. In June 2015, the Japanese government approved the Plan for Electricity Generation to 2030, which includes an assumption that nuclear power will generate between 20% and 22% of the country’s power by 2030. Re-commissioning of the Japanese nuclear reactor fleet is progressing, albeit slowly.

Assuming 50% of Japan’s reactor fleet at the time of the Fukushima disaster is operational by the early 2020s, any Japanese inventory is expected to be depleted by 2024. Therefore, US utilities may potentially be looking to contract future uranium requirements at the same time as the Japanese utilities re-enter the nuclear fuel markets.

**1.3 Uranium Production and Supply**

**(a) Mining Production**

Uranium can be mined through traditional open pit or underground methods, where the rock ore is removed from the ground and processed in order to access the minerals. Alternatively, uranium is also recovered through In Situ Recovery (“ISR”), whereby oxygenated groundwater is pumped directly into the orebody and the minerals are recovered from the solution. By 2015, an estimated 48% of the world’s produced uranium came from ISR operations.

After recovery, uranium ore is processed and milled to produce U<sub>3</sub>O<sub>8</sub>, containing 80% – 90% uranium-238, which is then shipped to a converter, where the U<sub>3</sub>O<sub>8</sub> is converted to uranium hexafluoride (“UF<sub>6</sub>”). UF<sub>6</sub> is suitable for the enrichment and fuel fabrication steps required to make the fuel ready for insertion into a nuclear reactor.

The WNA reference case for uranium supply projections assumes that the uranium supply of 189 mmlb in 2017 will decrease to 165 mmlb by 2035, and supply from current production sources is expected to decrease by 24% over the same period. As outlined in the table below, without a significant improvement in the uranium price, few new mining projects are expected to be developed. Further, any supply response is expected to be delayed due to the requirement to obtain all necessary approvals for developing and commissioning a uranium mine.

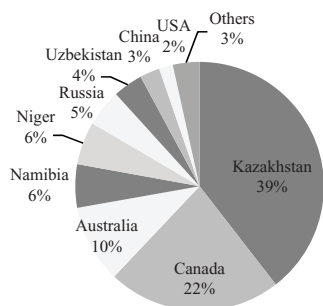
**Table 6: Expected Sources of Uranium**

	2017 (mmlb)	2017 (%)	2020 (mmlb)	2020 (%)	2025 (mmlb)	2025 (%)	2030 (mmlb)	2030 (%)	2035 (mmlb)	2035 (%)
Current Production Capacity	161	85%	170	86%	153	83%	138	81%	122	74%
Mines Under Development	—	—	—	—	6	3%	5	3%	5	3%
Planned Mines	—	—	—	—	—	—	—	—	—	—
Prospective Mines	—	—	—	—	1	0%	2	1%	18	11%
Secondary	28	15%	27	14%	24	13%	26	15%	20	12%
<b>Total</b>	<b>189</b>		<b>196</b>		<b>183</b>		<b>170</b>		<b>165</b>	

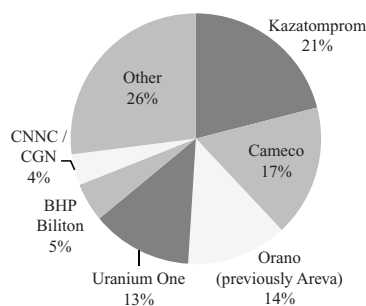
Source: WNA 2017 Nuclear Fuels Report

According to the WNA, of the c. 162 mmlb of uranium produced globally in 2016, 71% was produced in three countries: Kazakhstan (39%), Canada (22%) and Australia (10%). Production and marketing is dominated by four companies: Kazatomprom (21%), Cameco (17%), Orano (previously, Areva) (13%), and ARMZ – Uranium One (13%).

**Figure 4: 2016 Uranium Production by Country**     **Figure 5: 2016 Uranium Production by Company**



Source: WNA 2017 World Nuclear Fuel Report



Source: WNA 2017 World Nuclear Fuel Report

Due to the declining uranium price environment, the market has seen a reduction in production capacity as producers have shut down or reduced capacity at existing mines. Additionally, uranium companies have not been exploring for and developing new sources of uranium.

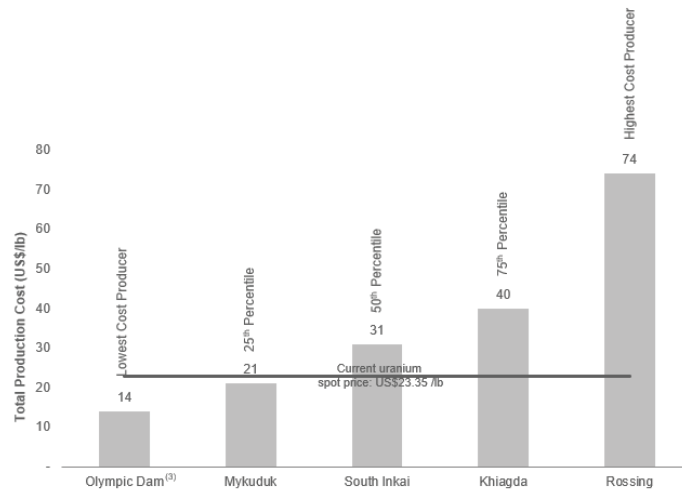
Kazatomprom is the state-owned uranium company of Kazakhstan, and is the world’s largest uranium producer. With a large proportion of its production coming through ISR, Kazatomprom is understood to be the world’s lowest cost uranium producer. During 2017, Kazatomprom reduced production by 5%, or an estimated five mmlb of uranium, a production cut which was superseded by the announced 2018 supply reductions. In December 2017, Kazatomprom announced plans to reduce production by approximately 26 mmlb over a period of three years, commencing in 2018.

Cameco is currently the largest listed pure play uranium company in the world, and is the second largest uranium producer globally. With operations across Canada, the US and Kazakhstan, the company has a wide spread of operating costs associated with its assets. However, in response to the low uranium price environment, Cameco has reduced or curtailed production at a number of its mines. In 2016, Cameco placed its Rabbit Lake and US operations on care and maintenance. Prior to suspension, its annual production from the Rabbit Lake and US operations accounted for approximately 4.2 mmlb and approximately 2.8 mmlb of uranium respectively. In November 2017, Cameco announced the suspension of its McArthur River mining operations and Key Lake milling operations for ten months starting in January 2018. The suspension impacts both Cameco, which owns 70% of McArthur River and 83% of Key Lake, and Orano (previously Areva), which holds the minority interest in the assets. In the first nine months of 2017, McArthur River and Key Lake produced approximately 11.1 mmlb of uranium.

In addition to the recent production developments mentioned above, Orano (previously Areva), announced in October 2017 that it had commenced reducing production at its higher cost facilities including Somair. Additionally, in May 2018, Paladin announced plans to place its Langer Heinrich mine on care and maintenance following the placing of its other mine, Kayelekera, on care and maintenance in 2014.

With the recent decline in the uranium price, margins for uranium miners have declined dramatically, or turned negative. The Company estimates, based on its review of a report on the total production costs in the uranium mining sector (for assets producing more than 100,000 lbs of uranium per year) prepared by SRK Consulting, that up to 75% of the world’s 2018 uranium production will cost more to produce per pound than the uranium price (as reported by UxC on 4 June 2018). SRK Consulting estimated that capital costs associated with development could typically be US\$10 per pound, increasing the breakeven uranium price required for a new development. Figure 6 below shows the highest and lowest total cost uranium mine surveyed by SRK Consulting, as well as the uranium mines at each quartile of the cost curve in each case, as reported by SRK Consulting. Olympic Dam remains a low cost mine as the uranium is, in that case, a by-product of copper production.

**Figure 6: 2018 Estimated Total Production Costs<sup>(1)</sup> (US\$/lb)**



(1) Total costs means production costs, including mining, processing, site general & administrative expenses, corporate general & administrative expenses, sustaining capital and environmental costs, and excludes capital costs associated with development, expansion capital and financial costs, such as debt servicing and overhead attributable to alternative business segments, and care and maintenance expenses.

Sources: total production costs: SRK Consulting; uranium spot price: as reported by UxC on 4 June 2018 (and represented in Figure 6 by the Company).

As a result of the declining uranium price environment, the Company expects that producers may consider purchasing  $U_3O_8$  in the spot market to meet their contractual obligations, rather than produce  $U_3O_8$  themselves at a higher cost.

**(b) Secondary Supply**

The quantities of  $U_3O_8$  made available from secondary supplies has been decreasing and, according to the WNA, are currently estimated to be supplying approximately 16% of global uranium demand. The key sources of secondary supply include commercial inventories, government inventories and recycling of materials from reprocessing.

Commercial inventories are predominantly held by utilities to ensure that any supply disruption will not affect reactor operations and to allow for contract lead times involved in the various fuel cycle stages. These inventories generally cover between one and three years of reactor requirements. Commercial inventories beyond this level are regarded as surplus, as such inventories may be sold or lent to other parties.

Government inventories are generally held for strategic purposes to ensure security of supply, as well as for new build programmes, especially in the case of countries such as China, India and Ukraine which have publicly stated their intention to build inventories. While the exact size of Russian government inventories is not clear, it is thought that they are intended for use both in domestic nuclear power plants as well as in plants being constructed in other countries.

The two key sources of recycled uranium are from underfeeding (the process of decreasing the operational tails assay, or % of U-235 included in the delivered enriched uranium product, below the transactional tails assay, or % of U-235 included in the contracted enriched uranium product with the buyer) and the reprocessing of fuel rods from nuclear reactors. The WNA estimates that these sources will provide approximately 17.45 mmlb in 2018.

**(c) Inventories**

Global  $U_3O_8$  equivalent inventories, excluding Russia, are estimated at approximately 854 mmlb (see Table 7 below). Based upon WNA estimates, this volume represents approximately five years' worth of future uranium requirements. However, in the context of the uranium market, it is important to consider both the ownership and the control of global  $U_3O_8$  equivalent inventories, as large segments of  $U_3O_8$  equivalent which are classified as inventory are not readily available for use or sale. Analysis of estimated 129 mmlb of inventories held by US utilities reveals that approximately 60 mmlb of  $U_3O_8$  equivalent is included in pipeline inventory,

that is, working inventory that is being enriched or fabricated into fuel, and an additional 50 mmlb of U<sub>3</sub>O<sub>8</sub> equivalent is being held as ‘strategic inventory’ and is an estimated one year’s worth of future requirements, being held in the event of a significant supply disruption.

Similar analysis of reported inventories can be conducted on EU utilities, which face a similar pipeline inventory requirement, but tend to hold strategic inventories equivalent to 18 - 24 months of future uranium needs.

Assuming that 50% of Japan’s reactor fleet from before the Fukushima disaster is operational by the early 2020s, any Japanese excess inventory is expected to be depleted by 2024.

The following table sets out estimated global inventories of U<sub>3</sub>O<sub>8</sub> equivalent by entity type:

**Table 7: Estimated Global Inventories<sup>(1)</sup>**

<b>Entity type</b>	<b>(mmlb)</b>
<b>Utilities</b>	<b>436</b>
EU <sup>(2)</sup>	134
US <sup>(3)</sup>	129
Japan <sup>(4)</sup>	102
South Korea <sup>(5)</sup>	40
Canada <sup>(6)</sup>	10
Taiwan <sup>(7)</sup>	10
Other Utilities	11
<b>Government</b>	<b>298</b>
China <sup>(8)</sup>	278
US DoE <sup>(9)</sup>	20
<b>Financial Entities<sup>(10)</sup></b>	<b>35</b>
Uranium Participation Corp.	15
Other Utilities	20
<b>Converters / Enrichers / Fabricators<sup>(11)</sup></b>	<b>30</b>
<b>Producers<sup>(12)</sup></b>	<b>56</b>
Cameco	26
Orano (previously Areva)	20
Other	10
<b>Total</b>	<b>854</b>

(1) Excluding Russia.

(2) ESA as at 31 December 2016

(3) US DoE as at 31 December 2016

(4) Nuclear Fuel Associates estimate

(5) WNA (adjusted) 3.5 years of estimated reactor requirements

(6) Based upon two years of estimated reactor requirements

(7) WNA (adjusted) four years of estimated reactor requirements

(8) Based upon import data and estimated fuel cycle requirements

(9) US DoE as at 31 December 2016

(10) Financial entities’ own disclosure. Includes Macquarie inventory from Deutsche Bank

(11) US DoE, EIA and WNA

(12) Producers’ own disclosure

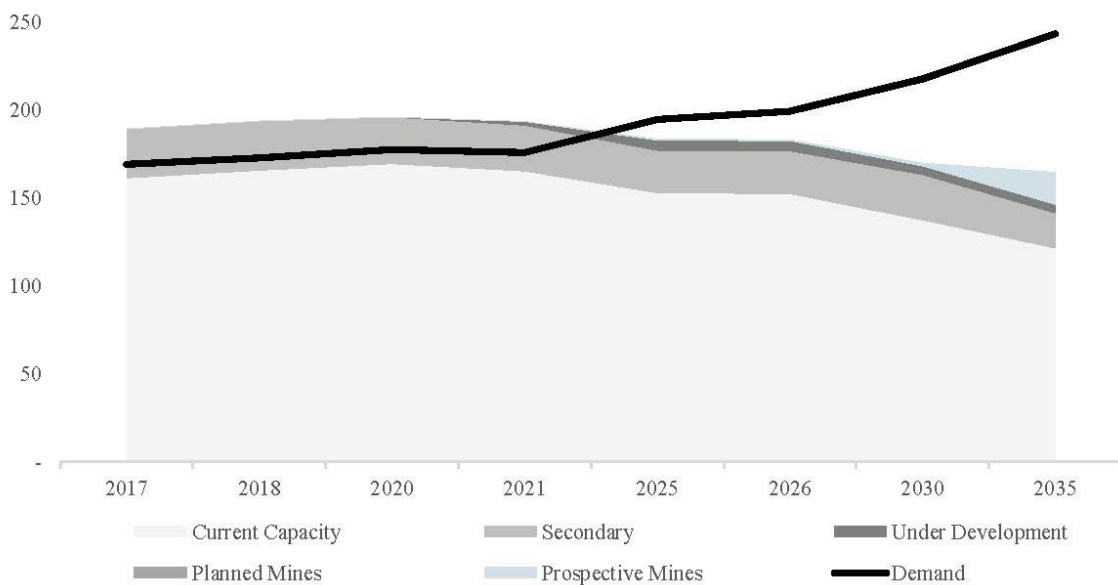
Source: Analysis undertaken by Dustin Garrow, Chief Commercial Officer of 308 Services, within his capacity as managing principal at Nuclear Fuel Associates. Compiled from various public sources (as listed at notes above (1) to (12)).

**(d) Demand and Supply Analysis**

A decade of declining uranium prices has resulted in significantly declining investment in exploration for uranium, impacting the development of new uranium mines, and resulting in projected supply deficits as global production falls below demand. This has been exacerbated by closures and production cuts. The supply gap that has been created is currently being covered by secondary sources, largely from underfeeding (see paragraph 1.3(b) of this Part II). However, with the decline in secondary sources and the length of time required to develop new uranium mines, new production may not be sufficient to fill the supply deficit. The Company expects that there will need to be a material increase in the uranium price before new uranium exploration and production is incentivised.

According to the WNA, the annual requirement for the existing reactor fleet is 169 mmlb of uranium. Based upon the WNA reference case, the annual uranium requirement for 2035 will increase by 44% to 243 mmlb per annum. Over the same time period, supply is expected to decline by 13%, with the depletion of existing mines and insufficient capacity from new mines. As a result, there may be insufficient volumes of uranium to supply the world’s reactor fleet.

**Figure 7: Demand and Supply Analysis**



Source: WNA 2017 Nuclear Fuel Report

**(e) Pricing of Uranium**

The principal end users of uranium are the global utility companies, which are also the largest buyers of uranium and other components of the nuclear fuel cycle. As there is no regulated or underwritten market for uranium, a substantial percentage of utilities’ uranium supply is sourced from long-term contracts, with the balance purchased on the spot market. Spot market purchases are defined as purchases for delivery within a year. While long term contract prices may be obfuscated by privacy agreements or pricing terms, such as ceilings, floors and escalations, the market has some visibility on prices in the uranium spot market where there are other active parties, including traders, financial institutions and producers. Uranium spot prices are published regularly by certain public data sources including UxC and TradeTech.

For comparison, the EIA reported that, of the uranium purchased by owners and operators of US civilian nuclear power reactors in 2016 where the price was reported, 7.8 mmlb was purchased in the spot market, at a weighted average price of US\$31.07/lb, and 19.6 mmlb was purchased under long term contracts, at a weighted average price of US\$44.71/lb (it being noted that the volume of reported sales may differ from the volume of actual sales). Over the same period, Euratom estimates that of the 37.2 mmlb delivered to EU reactors in 2016, only 3.1% or 1.2 mmlb, was delivered from the spot market.

Due to the necessity of securing uranium for their reactors, most utilities have historically entered into long term contracts for uranium for the bulk of their fuel requirements, and maintain a fuel inventory equivalent to between one and three years of requirements. According to Euratom Supply Agency, EU utilities are reported to have approximately 73% of 2023 required volumes contracted, while per the EIA, US utilities are reported to have only 22% of anticipated 2023 required volumes contracted. As is customary, these utilities are expected to begin renegotiating new long term contracts one to two years before they fall due. The need to secure new long-term contracts is further underpinned by the risk of a supply deficit in a near term to mid-term timeframe and the impact this might have on an already thin spot market.

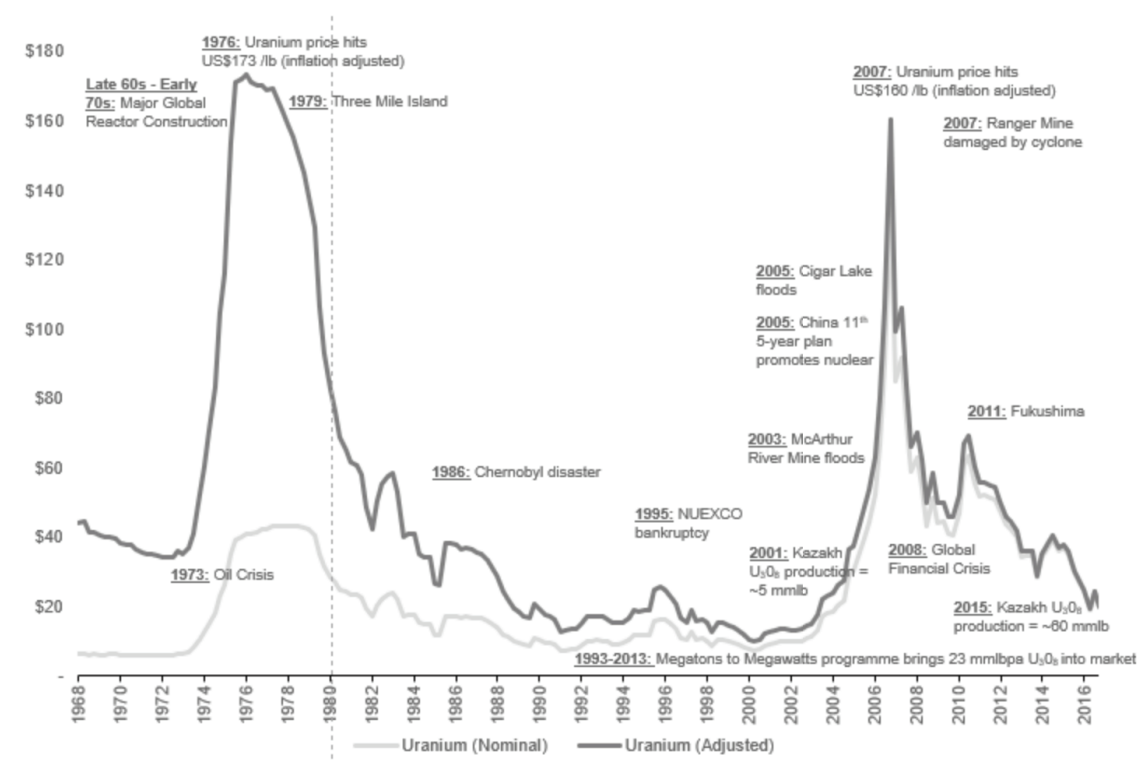
**Table 8: Future Contracted Coverage Rates of US & European Utilities**

	2017	2018	2019	2020	2021	2022	2023	2024	2025
US Covered Uranium Demand	92%	85%	77%	68%	45%	22%	22%	16%	11%
EU Covered Uranium Demand	107%	102%	90%	97%	81%	84%	73%	71%	75%

Source: EIA World Uranium Marketing Report, Euratom Supply Agency

As Figure 8 shows, the uranium spot price of US\$23.10/lb (as reported by UxC on 18 June 2018) sees the spot market near its lowest levels since the early 2000s. The Directors believe that the uranium spot has yet to respond to the turning price cycle seen in other commodities.

**Figure 8: Historical Inflation Adjusted Uranium Price (1968 – 2016)**



Source: UxC

## 2. THE REGULATORY REGIME

### 2.1 Overview

The production, handling, storage, conversion, upgrading and use of uranium are subject to extensive governmental controls and regulation. Yellow Cake will continue to follow the laws, regulations and guidelines applicable to the jurisdictions in which it operates. Additionally, Yellow Cake will continue to monitor any and all enacted and potential changes to laws, regulations and guidelines which may impact the business of Yellow Cake.



All U<sub>3</sub>O<sub>8</sub> owned by Yellow Cake will be stored by Converters at licensed Conversion Facilities, which are located in Canada, France and the United States. The Kazatomprom Contract gives Yellow Cake the option to buy U<sub>3</sub>O<sub>8</sub> at such Conversion Facilities. On the date of Admission, Yellow Cake will take ownership of the Initial KAP Quantity by book transfer at Cameco's Port Hope / Blind River facility.

A summary of certain aspects of Canadian uranium industry regulation, including information on its application to Yellow Cake's holding of U<sub>3</sub>O<sub>8</sub> in a storage account at Cameco's Port Hope / Blind River facility, is set out in paragraph 2.2 of this Part II. Summaries of certain aspects of US and French uranium industry regulation are set out in paragraphs 2.3 and 2.4 of this Part II respectively.

## **2.2 Canadian Uranium Industry Regulation**

### **(a) Overview**

The Canadian nuclear industry is regulated by the Nuclear Safety and Control Act ("NSCA"), which came into force on 31 May 2000 when it replaced the Atomic Energy Control Act. The NSCA provided the Canadian Nuclear Safety Commission ("CNSC") with the authority to regulate the development, production and use of nuclear energy and the production, possession and use of nuclear substances, prescribed equipment and prescribed information in Canada. Additionally, the CNSC is responsible for conducting environmental assessments and implementing Canada's bilateral agreement with the International Atomic Energy Agency on nuclear safeguards verification.

### **(b) Canadian Uranium Industry Licensing**

In accordance with the NSCA and the regulations made under the NSCA, individuals wanting to possess, use, store, transfer, import, export, service or abandon nuclear substances and radiation devices require a licence issued by the CNSC. The NSCA prohibits the CNSC from issuing a licence unless the CNSC considers that the applicant is qualified to carry on the activity that the licence will authorise, has made adequate provision for the protection of the environment and the health and safety of persons, and otherwise meets the requirements of the provisions of the NSCA and the regulations made under the NSCA.

### **(c) Cameco Facilities**

As Yellow Cake will own, but not possess, use, store, transfer, import, export, service or abandon nuclear substances, it requires no specific permits or licences under the NSCA, as it is in force as the date of this Document. However, as the Initial KAP Quantity will be stored in a storage account at Cameco's Port Hope / Blind River facility, Yellow Cake is subject to due diligence by Cameco and was required to undertake to Cameco that Yellow Cake complies with Cameco's internal policies, and all applicable laws and regulations, including anti-corruption laws for both Canada and the United States. Yellow Cake has been approved by Cameco to store U<sub>3</sub>O<sub>8</sub> in a storage account at its Port Hope / Blind River facility.

Cameco operates:

- (i) a Class IB nuclear facility in Blind River, Ontario, Canada, at which it processes natural uranium once concentrated into uranium trioxide ("UO<sub>3</sub>"). Cameco's operations at the Blind River refinery are licensed by a Fuel Facility Operating Licence. The ten year licence was renewed on March 2016 and remains valid through February 2022; and
- (ii) a Class IB nuclear facility in Port Hope, Ontario, Canada, at which it stores various natural, depleted and enriched uranium compounds, and converts UO<sub>3</sub> powder into uranium dioxide ("UO<sub>2</sub>") and uranium hexafluoride ("UF<sub>6</sub>"). Cameco's operations at the Port Hope conversion facility are licensed by a Fuel Facility Operating Licence. The ten year licence was renewed in March 2017 and remains valid through February 2027.

The process of acquiring or renewing a Fuel Facility Operating Licence requires the applicant to file an application to the CNSC. The CNSC will only issue licences to applicants that:

- (i) are deemed qualified to carry on the activity that the licence will authorise;
- (ii) demonstrate that they will protect the health and safety of persons and the environment;
- (iii) demonstrate that they will maintain national security; and
- (iv) confirm that they will adhere to the international obligations to which Canada has agreed.

Under the Storage Contract, as and when Yellow Cake elects to sell its owned  $U_3O_8$  stored in a storage account at the Port Hope / Blind River facility, Yellow Cake will be required to sell to a purchaser that has been approved by Cameco to store  $U_3O_8$  in a storage account at its Port Hope / Blind River facility and who wishes to store the purchased  $U_3O_8$  in a storage account at such facility (for additional details, please see paragraph 10.10 of Part IV), such approval to not be unreasonably withheld or delayed. Cameco required the inclusion of this provision in the Storage Contract so as to ensure that Yellow Cake cannot sell to a party which would, through storing  $U_3O_8$  in a storage account at Cameco's Port Hope / Blind River facility, cause Cameco to breach its ongoing licensing conditions or other applicable laws. This requirement ensures that any potential purchaser of Yellow Cake's  $U_3O_8$  will also be subject to due diligence by Cameco and will also be required to prove to Cameco that it complies with Cameco's internal policies, and all applicable laws and regulations, including anti-corruption laws for both Canada and the United States.

For a potential purchaser to remove  $U_3O_8$  or other nuclear material from a storage account at Cameco's Port Hope / Blind River facility, such purchaser would require a Nuclear Substances and Radiation Devices Licence, as issued by NSCA, which is a licence to possess and use nuclear substances in Canada. In order to export nuclear materials from Canada, the purchaser would require a Licence to Export Nuclear and Nuclear Related Dual-Use Items, as issued by the NSCA. These processes are designed to ensure that any potential purchaser of  $U_3O_8$  from Yellow Cake that intends to remove  $U_3O_8$  from a storage account at Cameco's Port Hope / Blind River facility is compliant with the licensing requirements of the NSCA.

**(d) Yellow Cake Policy**

In addition to reviews and approvals carried out by the Canadian government and Cameco, or as may be required by governments and Converters in other jurisdictions, Yellow Cake will institute a process for reviewing potential purchasers of the Company's  $U_3O_8$ , and potential sellers of  $U_3O_8$  to the Company, so as to ensure that such purchasers and sellers:

- (i) are not individuals or entities under sanction by the EU, HMT, US Department of the Treasury's OFAC and UN Council;
- (ii) are not affiliated or associated with countries under sanctions by the EU, HMT, US Department of the Treasury's OFAC and UN Council;
- (iii) are not affiliated or associated with terrorism or criminal enterprise, specifically with regards to money laundering;
- (iv) demonstrate that they will maintain the national security of the relevant jurisdiction; and
- (v) confirm that they will adhere to the international obligations to which the relevant jurisdiction has agreed.

**2.3 US Uranium Industry Regulation**

The uranium industry in the US is primarily regulated by the Nuclear Regulatory Commission ("NRC") pursuant to the Atomic Energy Act of 1954, the Energy Reorganization Act of 1974 and Uranium Mill Tailings Radiation Control Act of 1978, and implementing regulations promulgated thereunder. The NRC's primary functions are to regulate the mining, processing, storage, transport and use of nuclear materials and the licensing and operation of nuclear facilities and to ensure the protection of employees, the public and the environment from radioactive materials. The NRC also regulates the physical movement of nuclear materials within the United States (10 CFR Part 71) and the import and export of uranium (10 CFR Part 110). A state, referred to as an "Agreement State", can be granted authority by NRC to implement certain of these regulatory functions through its own state regulations that incorporate the applicable aspects of 10 CFR.

Pursuant to these laws and regulations, licensees must file a Nuclear Material Transaction Report with the NRC to report physical transfers of nuclear materials between facilities and the export or import of nuclear materials. The Report is also used to convey information on transactions such as inventory corrections that otherwise increase or decrease obligation balances or nuclear material categories within a facility. These Reports are the primary mechanism for tracking physical movements of US or any other origin uranium within the United States and the export and import of such uranium.

The US Government also enters into international agreements for nuclear co-operation and trade with specific countries (or political blocs such as the European Union), with the general goal of supporting the peaceful uses of nuclear energy while upholding specific US foreign policy and non-proliferation objectives. The NRC participates in this process by providing comment and clearance or approval of the proposed international agreements. While specific sales contracts for uranium or other forms of nuclear fuel are not reviewed or approved by the NRC or other regulators, the NRC is responsible for issuing export and import licences for the physical shipment of uranium out of and into the US.

## **2.4 French Uranium Industry Regulation**

The uranium industry in France is regulated at the highest level and involves a number of government agencies.

The Nuclear Policy Council, tasked with defining the main planks of nuclear policy and ensuring that they are implemented, with particular regard to exports and international co-operation, was established in 2008 by presidential decree. The Nuclear Policy Council is chaired by the President and includes the Prime Minister as well as cabinet secretaries in charge of energy, foreign affairs, economy, industry, foreign trade, research and finance as well as the head of the French Atomic Energy Commission, the secretary general of national defence and the military chief of staff. In March 2016, Orano (previously Areva), Electricite de France and the French Atomic Energy Commission announced the formation of the tripartite French Nuclear Platform to improve the joint effectiveness of the three bodies and devise a shared vision of a medium-and long-term goal for the industry, supporting the Nuclear Policy Council.

In addition, the Nuclear Safety Authority is responsible, to varying degrees, along with other government ministries, for ensuring the protection of employees, the public and the environment from the risks involved in nuclear activities in France.

The licensing of a nuclear power plant or facility for operation requires authorisation by ministerial decree, following a review by the Nuclear Safety Authority and after a public enquiry has been held.

France's regulations related to the import and export of nuclear materials are complex and are overseen by the Nuclear Policy Council. Trade in nuclear materials is strictly controlled. Before nuclear materials can be imported or exported from France, the trade must be authorised: (i) by the Minister of Defence for materials intended for defence purposes; or (ii) by the Minister of Energy for materials intended for other purposes. The Minister of Defence and the Minister of Energy must both consult the Minister of Internal Affairs and the Minister of Foreign Affairs prior to granting authorisation.

France follows the non-proliferation safeguards created by the International Atomic Energy Agency and is committed to supporting the central role of the safeguards system.

## **3. URANIUM COMMODITY STREAMING AND ROYALTIES**

### **3.1 Commodity Streams**

Commodity streams are a hybrid finance instrument whereby an investor purchases a percentage of a mining company's future production, at a fixed price, or a fixed discount to market value. A commodity stream is typically structured as an initial payment from the investor to a mining company, and then a series of purchases by the investor from the mining company for a determined volume of production, at a price typically below the market value. The investor typically profits from the commodity stream due to the discount to market price at which they are able to buy production. The initial payment from the investor to the mining company may be used by the mining company to finance a development or an expansion which will result in additional production, with a percentage of that new production then dedicated for the investor's purchase.

Commodity streams are common in the precious metal markets, and were popularised by Silver Wheaton, Franco Nevada and Royal Gold in the Americas during the mid-2000s. Commodity streams are often used to purchase producers' secondary metals or by-products, enabling the producer to focus on their core markets, and providing investors with alternative options for investment exposure.

While commodity streams for precious metals are common, investors have expanded into base metals and other commodities due to both price opportunism and/or strategic interest in a specific commodity. In a rising commodity price market, commodity streams tend to increase in value, as the right to purchase a commodity at a fixed percentage discount to the spot price will increase in value in line with the spot price.

### **3.2 Royalties**

Unlike commodity streams, which represent a contract to buy future production at a discount to market value, royalties represent an interest in a percentage of an asset's or a company's production. While both structures involve an initial payment from the investor to the producer, in a royalty structure, the investor is entitled to share in a percentage of the revenue from the producer's project, without making any ongoing payments. Royalty contracts are typically settled in cash, however, they may be settled via physical delivery. A common type of royalty is a "NSR" or "Net Smelter Returns" royalty. The holder of a NSR royalty usually receives the value of the commodity less the cost of transportation and refining. Royalties can also be structured whereby the investor owns up to a certain percentage of the production until the value of the royalty exceeds an agreed value, and thereafter the investor owns a lesser percentage.

## PART III

### RISK FACTORS

In addition to all other information set out in this Document, the following specific risk factors should be considered carefully by potential investors in evaluating whether to make an investment in the Company. The investment described in this Document may not be suitable for all of its recipients. Before making a final decision, investors in any doubt are advised to consult their stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised pursuant to FSMA if resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

You should carefully consider the risks described below and ensure that you have read this Document in its entirety before making a decision to invest in the Company.

Prospective investors should be aware that an investment in the Company is speculative and involves a high degree of risk. In addition to the other information contained in this Document, the Directors believe that the following risk factors are the most significant for potential investors and should be considered carefully in evaluating whether to make an investment in the Company. If any of the risks described in this Document actually occurs, the Company may not be able to conduct its business as currently planned and its financial condition, operating results and cash flows could be seriously harmed. In that case, the market price of the Ordinary Shares could decline and all or part of an investment in the Ordinary Shares could be lost. However, the risks listed do not necessarily comprise all those associated with an investment in the Company. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect on the Company. In particular, the Company's performance may be affected by changes in market or economic conditions or in legal, regulatory and tax requirements. The risks listed below are not set out in any particular order of priority.

#### 1. RISKS RELATING TO THE COMPANY'S BUSINESS

##### *The Company is a new company with no operating history*

The Company is a newly formed entity and has not commenced operations and so does not have a track record or operating history. Other than the Initial KAP Quantity, which the Company is acquiring on the date of Admission, the Company does not have any material assets or liabilities at the date of this Document. Accordingly, at the date of this Document, the Company has no historical financial data upon which prospective investors may base an evaluation of the Company and AIM Regulation has provided consent for a derogation from the requirements of section 20.1 of Annex I of Appendix 3 of the Prospectus Rules. The Company is therefore subject to all of the risks and uncertainties associated with any new business enterprise, including the risk that the Company will not achieve its business objectives and that the value of an investment in the Company could decline and may result in the total loss of all capital invested and loss of the ability to meet financial obligations as they fall due. The past performance of companies, assets or funds managed by the Directors, 308 Services or persons affiliated with them, in other ventures in a similar sector or otherwise, is not necessarily a guide to the future business, results of operations, financial condition or prospects of the Company. Investors will be relying on the Company's and the Directors' ability to identify potential business opportunities, evaluate their merits and conduct negotiations.

##### *The Company is reliant on its executive Directors, 308 Services and other key personnel*

The Company's business, development and prospects are dependent upon the continued services and performance of its executive Directors, 308 Services and other key personnel. The experience and commercial relationships of the executive Directors, 308 Services and other key personnel help provide the Company with a competitive edge. The Directors believe that the loss of services of the executive Directors, 308 Services or other key personnel, for any reason, or failure to attract and retain necessary personnel, could materially adversely impact the business, results of operations and financial condition of the Company.

##### *The Services Agreement may be terminated*

The Services Agreement has an initial ten year term which renews automatically at the end of such term for a further ten years unless terminated on one year's notice. However, in certain circumstances, a termination fee may be payable, depending on how much time has elapsed since the date of the Services Agreement (see paragraph 10.8 of Part IV of this Document for



more details). In addition, if the Services Agreement is terminated, Yellow Cake may not be able to secure similar services to those provided under the Services Agreement, or may have to pay more for such services. This could have a material adverse effect on the Company's business, results of operations and financial condition.

***The Directors or 308 Services may provide services to other entities and conflicts of interest may arise***

The Directors or 308 Services may provide investment, administrative and other services to other entities and conflicts of interest may arise from time to time. For example, Dustin Garrow, a director of 308 Services, provides consultancy services to a range of companies in the uranium industry.

The Articles restrict the ability of the Directors to vote on certain contracts and arrangements in which they are interested and contain certain other provisions governing conflicts of interest. In addition, the Directors' service agreements require the Directors to devote sufficient time to fulfil their duties to the Company. Such protections may not be sufficient to avoid the Company's interests being prejudiced by such conflicts of interest and there are no equivalent protections for the Company with respect to the directors of 308 Services. Any prejudice to the Company's interests as a result of conflicts of interest could have a material adverse effect on the Company's business, results of operations and financial condition.

***Counterparties to the Company's material contracts may become insolvent or otherwise unable to fulfil their contractual obligations***

The Company has entered into material contracts with, *inter alia*, Kazatomprom, 308 Services, and Cameco which are summarised in paragraph 10 of Part IV of this Document. At the date of this Document, the Kazatomprom Contract is the Company's only agreement for the supply of U<sub>3</sub>O<sub>8</sub> and the Storage Contract is the Company's only agreement for the storage of U<sub>3</sub>O<sub>8</sub>. There can be no assurance that the counterparties to these arrangements will not become insolvent or otherwise unable to fulfil their contractual obligations to Yellow Cake. In such a circumstance, the Company may not be able to secure similar contracts on as competitive terms or at all. This could have a material adverse effect on the Company's business, results of operations and financial condition.

***Yellow Cake may, in the future, be required to generate additional cash resources***

The expenses of Yellow Cake will be funded from cash on hand from the net proceeds of the Placing and the Subscription which are not otherwise invested in U<sub>3</sub>O<sub>8</sub>. Without prejudice to the confirmation set out in paragraph 13 of Part IV of this Document, once such cash available has been expended, Yellow Cake will be required to generate cash resources through the sale of U<sub>3</sub>O<sub>8</sub>, its other uranium-based commercial activities, debt financing or additional offerings of Ordinary Shares. There is no guarantee that Yellow Cake will be able to sell U<sub>3</sub>O<sub>8</sub> in a timely or profitable manner or that its other uranium based commercial activities, debt financing or additional offerings of Ordinary Shares will be successful or available on terms acceptable to Yellow Cake. In such a circumstance, the Company may not be able to meet its financial commitments as they fall due, which could have a material adverse effect on the Company's business, results of operations and financial condition.

***Changes in laws, regulations or government policy could adversely affect the Company's business***

The Company and its operations are subject to laws, regulations and government policy in a number of jurisdictions. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time-consuming and costly. New laws, regulations or government policy or amendments to existing laws, regulations or government policy affecting the Company could impose restrictions on the Company's activities or give rise to significant unanticipated costs.

The uranium industry is subject to numerous laws and regulations. Whilst Yellow Cake does not require specific permits or licences in relation to its holding of U<sub>3</sub>O<sub>8</sub> at Cameco's Port Hope/ Blind River facility in Ontario, Canada, and does not expect to require specific permits or licences in relation to any U<sub>3</sub>O<sub>8</sub> it may hold at other Conversion Facilities, Yellow Cake may be adversely affected by changes in applicable Canadian uranium laws or regulations or changes in uranium laws or regulations in other jurisdictions in which the Company holds or undertakes other activities involving U<sub>3</sub>O<sub>8</sub>.



In addition, governmental policies and trade restrictions, which are beyond the control of the Company, may affect the global supply of uranium. For example, two US producers have recently filed a petition with the US Commerce Department under section 232 of the US Trade Act of 1962, alleging that uranium imported from foreign sources is unfairly competing with US produced uranium due to state subsidies in the country of production (for further detail see paragraph 1.2(b) of Part II of this Document).

Any change in the laws, regulations or government policy affecting the Company could have a material adverse effect on the Company's business, results of operations and financial condition.

***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***

Certain countries in which the Company conducts or may in the future conduct business, including Kazakhstan, are known to experience increased levels of bribery and corruption relative to more developed economies. Although the Company mandates strict compliance with anti-bribery and anti-corruption laws, it may not be possible for the Company to ensure compliance with such laws in every jurisdiction in which its employees, agents or sub-contractors are located or may be located in the future. Any government investigations into, or other allegations against, the Company, its employees, agents or sub-contractors, with respect to the involvement of such persons in bribery, corruption or other illegal activity, could subject to the Company to, among other things, reputational damage and, if successful, civil or criminal penalties, other remedial measures and legal expenses, which could materially adversely affect the Company's business, results of operations and financial condition.

***Sanctions could adversely affect the Company's business and financial condition***

The imposition of sanctions, including those which target uranium producing countries or nationals of those countries, whether or not the Company does business in such countries, could interfere with the Company's ability to conduct its business, otherwise have a material adverse effect on the Company's business and financial condition or restrict the ability of sanctioned persons to acquire interests in the Company or its assets. For example, Russia has threatened to halt the export of uranium to the US in response to sanctions imposed against certain Russian businessmen and officials (for further detail see paragraph 1.2(d) of Part II of this Document). While the Company does not deal with Russian uranium producers at present, Russia's response to such sanctions could potentially impact the global supply and demand for U<sub>3</sub>O<sub>8</sub> in a way which has a material adverse effect on the Company's business, results of operations and financial condition.

***Changes in the tax position of the Company and its subsidiaries could adversely affect the Company***

Any change in the Company's tax position or status or in tax legislation or proposed legislation, or in the interpretation of tax legislation or proposed legislation by tax authorities or courts, or in tax rates, could adversely affect the Company's ability to pay dividends, dividend growth and/or the market value of the Ordinary Shares. The levels of, and reliefs from, taxation may change. Shareholders should not rely on general guidance and should seek their own advice. There can be no guarantee that the rates of taxation envisaged by the Directors will be the on going rates of taxation paid by the Company. Changes in the Company's tax position may have a materially adverse affect on the Company's business, results of operations and financial condition.

## **2. RISKS RELATING TO THE URANIUM COMMODITY SECTOR**

***The uranium price is volatile and affected by factors beyond the Company's control***

Yellow Cake's activities almost entirely involve the acquisition and ownership of U<sub>3</sub>O<sub>8</sub> or uranium linked commercial activities. Therefore, factors which affect the uranium price are also likely to affect the price of the Ordinary Shares. At this time, it is not contemplated that the Company will engage in any hedging activities involving U<sub>3</sub>O<sub>8</sub>. The value of the Ordinary Shares is expected, therefore, to reflect, and typically fluctuate with, movements in the uranium price.

The uranium price is affected by a number of factors beyond the Company's control, including rates of reclaiming and recycling of uranium, rates of production of uranium from mining, and changes in availability of the underlying resource, the impact of nuclear accidents such as Fukushima, disruptions in supply due to natural disasters and other force majeure events. The

uranium price may also be affected by a variety of unpredictable international economic, monetary and political considerations, including demand from nuclear power plants and other end users, increased efficiency of nuclear power plants, increased availability of alternative nuclear fuel, such as mixed oxide fuel generated in part from weapons grade plutonium, regulation and government policy, sales of excess inventories by governments, the behaviour of the Company's competitors and other industry participants and public and political opinion of the nuclear industry.

Macroeconomic considerations include expectations of future rates of inflation, the strength of, and confidence in, the US dollar (being the currency in which the uranium price is generally quoted) and other currencies, interest rates and the availability of financing or credit more generally and other global or regional economic events.

In addition, shifts in political and economic conditions affecting uranium producing countries may have a direct impact on their sales of uranium. See the examples provided in the above risk factors "*Changes in laws, regulations or government policy could adversely affect the Company's business*" and "*Sanctions could adversely affect the Company's business and financial condition.*"

Movements in the uranium price could have a material adverse effect on the Company's business, results of operations and financial condition.

***There is no public market for the sale of U<sub>3</sub>O<sub>8</sub> and it is therefore an illiquid commodity***

There is no public market for the sale of U<sub>3</sub>O<sub>8</sub>. The pool of typical potential purchasers and sellers of U<sub>3</sub>O<sub>8</sub> is limited and the Directors consider the spot market for U<sub>3</sub>O<sub>8</sub> to be thinly traded. Following Admission, it is possible that Yellow Cake may not be able to source opportunities to acquire material quantities of U<sub>3</sub>O<sub>8</sub> outside of the Kazatomprom Contract. Furthermore, the exercise of the Company's option under the Kazatomprom Contract is subject to certain conditions, including the completion of an additional offering of Ordinary Shares or other financing transaction in order to satisfy the purchase price, and so there is no guarantee that the Company will be able to complete the exercise of the option. Once acquired, Yellow Cake may not be able to sell U<sub>3</sub>O<sub>8</sub> or may not be able to sell U<sub>3</sub>O<sub>8</sub> in the quantities, or within the timeframes, desired. Additionally, transacting in U<sub>3</sub>O<sub>8</sub> in quantities which are significant relative to the size of the market as a whole could potentially materially impact the uranium price, which in turn may materially impact the share price of Yellow Cake or have a material adverse effect on the Company's business, results of operations and financial condition.

***The Company faces risks in its dealings with Converters***

All U<sub>3</sub>O<sub>8</sub> will be stored by licensed Converters. When negotiating storage terms, 308 Services is required to ensure that Converters provide satisfactory indemnities for the benefit of Yellow Cake or ensure that Yellow Cake has the benefit of insurance arrangements obtained on standard industry terms. While 308 Services, on behalf of Yellow Cake, will endeavour to ensure that the storage facilities and associated companies are of sound condition, both structurally and financially, the Company is nevertheless exposed to the credit risk of Converters. In the event of loss or damage to the U<sub>3</sub>O<sub>8</sub> in storage, should a Converter be unable to meet its obligations to compensate the Company for such loss, for example an obligation to replace the U<sub>3</sub>O<sub>8</sub> which has been lost or damaged, or an obligation to pay the replacement value of the U<sub>3</sub>O<sub>8</sub> lost or damaged, the Company's financial losses may not be fully covered, which could have a material adverse effect on the Company's business, results of operations and financial condition.

In addition, the terms of storage contracts generally permit the commingling of assets, meaning that, if a Converter were to become insolvent, it might prove not only difficult to access the Conversion Facility but also to retrieve Yellow Cake's U<sub>3</sub>O<sub>8</sub> from storage. Furthermore, title to U<sub>3</sub>O<sub>8</sub> held in storage with Converters is generally determined by book transfer and book entry. Yellow Cake understands such title mechanism to be the market standard and has no reason to believe that it is deficient. However, there is no guarantee that, in the event of an insolvency or change of control of a Converter, a third party would not challenge Yellow Cake's title to its U<sub>3</sub>O<sub>8</sub>. In such circumstance, Yellow Cake would be able to adduce other documentary evidence, such as a signed sale and purchase agreement, to evidence its title. If, however, such a challenge were successful, the Company may not be able to retrieve its U<sub>3</sub>O<sub>8</sub> from storage, or may be delayed in doing so, which could have a material adverse effect on the Company's business, results of operations and financial condition.

As the number of licensed Converters is limited, there can be no assurance that, should new storage arrangements need to be arranged with a Converter, they can be agreed on terms that are commercially beneficial to Yellow Cake. Failure to negotiate commercially reasonable storage terms with Converters may have a material adverse effect on the Company's business, results of operations and financial condition.

***Competition from other energy sources and public acceptance of nuclear energy***

Nuclear energy competes with other sources of energy, including oil, natural gas, coal and hydro-electricity. These other energy sources are to some extent interchangeable with nuclear energy, particularly over the longer term. Sustained lower prices of oil, natural gas, coal and hydro-electricity, as well as the possibility of developing other low-cost sources for energy, or technical advances in the development of renewable and other alternate forms of energy, may result in lower demand for  $U_3O_8$ . Furthermore, growth of the uranium and nuclear power industry will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity.

Because of unique political, technological and environmental factors that affect the nuclear industry, the industry is subject to public opinion risks which could have an adverse impact on the demand for nuclear power and increase the regulation of the nuclear power industry and depress the uranium price and, consequentially, have a material adverse effect on the Company's business, results of operations and financial condition.

***Nuclear accidents could impact the future prospects for nuclear power, a key source of demand for  $U_3O_8$***

An accident at a nuclear reactor anywhere in the world could impact on the continued acceptance by the public and regulatory authorities of nuclear energy and the future prospects for nuclear generators.  $U_3O_8$  is most commonly used as the base for fuel for nuclear power plants. In the event of a nuclear accident, government policy in key markets could shift towards using other forms of energy, leading to a reduction in the demand for  $U_3O_8$ . For example, following the Fukushima disaster, Japan idled all of its nuclear plants (for further details, see paragraph 1.2(g) of Part II of this Document). A reduction in the demand for  $U_3O_8$  following a future nuclear incident could have a material adverse effect on the Company's business, results of operations and financial condition.

***The Company intends to hold a significant quantity of  $U_3O_8$  throughout the  $U_3O_8$  pricing cycle***

The Company intends to pursue a number of uranium related activities, as described in this Document. However, whilst it intends to both buy and sell  $U_3O_8$ , it is expected that the Company will hold a significant quantity of  $U_3O_8$  throughout the  $U_3O_8$  pricing cycle. As such, the value of the Company's investment in  $U_3O_8$  will go down if the uranium price falls which is likely to have a consequential impact on the value of the Company's Ordinary Shares.

***Any uranium commodity streams or royalty interests acquired by the Company will be subject to many of the same risks as the owners and/or operators of the underlying mining properties***

Any uranium commodity streams or royalty interests acquired by the Company will be dependent on the continued and successful operation of the underlying mining properties. The Company will be subject to many of the risks applicable to the operators of such properties including, amongst others, commodity price risk (see "*The uranium price is volatile and affected by factors beyond the Company's control*" above), development risk, production risk and counterparty risk. The development and operation of the underlying mining properties will be subject to certain factors, including the ability to access financing, the accuracy of assumptions regarding the estimates of mineral reserves and resources and production estimates, natural disaster and other force majeure events, changes in government regulation and changing political attitudes and stability in the countries in which they are situated, the ability to acquire and maintain required government approvals, licences and permits, access to infrastructure and the ability to recruit and retain personnel with sufficient technical expertise.

In addition, generally, the third party owners and operators of the underlying mining properties will, subject to any government requirements, have the power to determine the manner in which the relevant mining properties are exploited and the interests of those third party owners and operators and those of the Company may not always be aligned.

The success of any uranium commodity streams or royalty interests acquired by the Company will be dependent, in part, upon the operating performance, profitability, financial position and creditworthiness of the underlying mining properties and on the ability of the third party owners and operators to deliver production, or to make royalty payments, to the Company, as the case may be. If such third party owners and operators are not able to fulfil their obligations to the Company this could have a material adverse effect on the Company's business, results of operations and financial condition.

### **3. RISKS RELATING TO THE STORAGE CONTRACT**

#### ***The Company relies on its storage partner, Cameco***

The Company is exposed to the credit risk of Cameco. If Cameco were to become insolvent, it might prove difficult not only to access Cameco facilities but also to retrieve Yellow Cake's  $U_3O_8$  from storage, particularly given that it will be commingled with other assets – even if there is another Converter within a suitable distance or an appropriate transport provider could be found to remove the  $U_3O_8$  from storage.

If Yellow Cake is unable to retrieve its  $U_3O_8$  on an insolvency of Cameco, this could have a material adverse effect on the Company's business, results of operations and financial condition.

#### ***Title to the $U_3O_8$ in storage at Cameco is determined by book entry***

Title to the  $U_3O_8$  in storage at Cameco is determined by book transfer and book entries pursuant to the Storage Contract, which is governed by Canadian law. Yellow Cake understands such title mechanism to be the market standard and has no reason to believe that it is deficient. However, there is no guarantee that, in the event of an insolvency or change of control of Cameco, a third party would not challenge Yellow Cake's title to its  $U_3O_8$ . In such circumstance, Yellow Cake would be able to adduce other documentary evidence, such as a signed sale and purchase agreement, to evidence its title. If, however, such a challenge were successful, the Company may not be able to retrieve its  $U_3O_8$  from storage at Cameco's facilities, or may be delayed in doing so, which could have a material adverse effect on the Company's business, results of operations and financial condition.

#### ***Yellow Cake may only sell $U_3O_8$ to parties who have storage accounts with Cameco***

The Storage Contract restricts sales in that Yellow Cake will have to sell its  $U_3O_8$  to another party with a storage account at Cameco and cannot remove its  $U_3O_8$  from its storage account save in certain specified circumstances. This could limit the number of potential buyers in future, which may have a material adverse effect on the Company's business, results of operations and financial condition.

#### ***Cameco's liability under the Storage Contract excludes consequential losses***

Cameco's liability to Yellow Cake if it breaches the Storage Contract is limited to replacement of the  $U_3O_8$ . Incidental, special, economic, indirect or consequential damages resulting from such breach, such as loss to Yellow Cake as a result of failing to meet obligations to third parties as a result of Cameco's breach, are excluded. This could leave Yellow Cake exposed to loss, which could have a material adverse effect on the Company's business, results of operations and financial condition.

### **4. RISKS RELATING TO THE SUPPLY CONTRACT**

#### ***The Company relies on its supplier, Kazatomprom***

The Company is exposed to the credit risk of Kazatomprom. If Kazatomprom were to become insolvent, Yellow Cake might lose the benefit of its long-term supply contract or be unable to enforce its rights under the Kazatomprom Contract, which would mean that Yellow Cake would no longer have the ability to buy  $U_3O_8$  at an undisturbed price and would instead, if it wished to acquire further amounts of  $U_3O_8$ , be required to buy such  $U_3O_8$  in the market or find an alternative supplier, which could result in a higher price. This could have a material adverse effect on the Company's business, results of operations and financial condition.



***Political, social or economic instability in Kazakhstan may adversely impact the Company***

Kazatomprom is Kazakhstan's state-owned uranium producer. The occurrence of any political, social or economic instability in Kazakhstan could adversely impact the Company's dealings with Kazatomprom and, as a consequence, have a material adverse effect on the Company's business, results of operations and financial condition.

Kazakhstan's creation as an independent state in 1991 resulted from the break-up of the Soviet Union. As such, it has a relatively short history as an independent nation. Kazakhstan has actively pursued a programme of economic reform and inward foreign investment designed to establish a free market economy, but there can be no assurance that in the future such reforms and other reforms will continue. Any changes in the existing policies of the government, or a change in the government or the president of Kazakhstan, may adversely affect the Company's ability to purchase  $U_3O_8$  from Kazatomprom in the future. Since independence in 1991, Kazakhstan has had only one president. The Company could face enhanced risk and uncertainty in the event of a change in government in Kazakhstan, including the possibility that a successor government would seek to reopen or challenge the legal or other arrangements between Kazatomprom and the Company (bearing in mind Kazatomprom's status as a state-owned enterprise). This may have a material adverse effect on the Company's business, results of operations and financial condition.

***Yellow Cake may experience difficulty in enforcing Kazatomprom's obligations***

Kazakhstan's judicial system is developing and may not be fully independent of political, social or economic interests. Court decisions may be difficult to predict and enforce and there may be additional difficulties associated with bringing a claim against Kazatomprom, as a state owned enterprise. If Kazatomprom fails to comply with its obligations under the Kazatomprom Contract, Yellow Cake will need to seek to enforce its rights against Kazatomprom, which could prove difficult given Kazatomprom's location despite the fact that the Kazatomprom Contract is governed by English law and subject to arbitration under the LCIA Rules in London. If the Company is unable to enforce its rights under the Kazatomprom Contract against Kazatomprom, this could have a material adverse effect on the Company's business, results of operations and financial condition.

***A force majeure event may prevent delivery under the Kazatomprom Contract***

Delivery of  $U_3O_8$  could be prevented or delayed by a force majeure event which would suspend Kazatomprom's obligations under the Kazatomprom Contract until such event is resolved. If it cannot be resolved, Yellow Cake will need to purchase its  $U_3O_8$  from a different source which could result in a higher price being paid and lead to a material adverse effect on the Company's business, results of operations and financial condition.

***The remedy period in the Kazatomprom Contract may expose Yellow Cake to risk***

If Kazatomprom is in material breach of the Kazatomprom Contract, it has 30 days to remedy such breach. This waiting period could leave Yellow Cake exposed to financial or reputational risk. Any financial or reputational loss suffered by the Company could have a material adverse effect on the Company's business, results of operations and financial condition.

## **5. RISKS RELATING TO THE ORDINARY SHARES**

***Investment risk and limited liquidity***

There can be no assurance that an active trading market for the Ordinary Shares will develop, or if developed, that it will be maintained. AIM is a market for emerging or smaller companies and may not provide the liquidity normally associated with the Official List or other exchanges. The future success of AIM and the liquidity in the market for Ordinary Shares cannot be guaranteed. In particular, the market for Ordinary Shares may be, or may become, relatively illiquid, particularly given the Lock-in and Orderly Market Arrangements described in paragraph 12 of Part I of this Document and therefore the Ordinary Shares may be or may become difficult to sell. The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in investor sentiment regarding the Ordinary Shares or in response to various factors and events, including the Company's performance generally, variations in the Company's interim or full year operating results, business developments of the Company and/or its competitors, significant purchases or sales of Ordinary Shares, legislative changes, general economic, political or regulatory conditions, and other factors outside the control of the

Company. Potential investors should be aware that the value of securities and the income from them can go down as well as up, and investors may realise less than, or lose all of, their investment. The market price of the Ordinary Shares may not reflect the underlying value of the Company and an investment in a security which is traded on AIM might be less realisable and generally carries a higher risk than a security quoted on the Official List. The price which investors may realise for their holding of Ordinary Shares, and when they are able to do so, may be influenced by a large number of factors, some of which are specific to the Company and others of which are extraneous.

***Investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable***

Investments in Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders, which may contribute both to infrequent trading in the Ordinary Shares on the London Stock Exchange and to volatile Ordinary Share price movements. Investors should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the Issue Price.

***The incurrence of indebtedness in connection with the purchase of U<sub>3</sub>O<sub>8</sub> could lead to a decline in operating results.***

The incurrence by the Company of indebtedness in connection with the purchase of U<sub>3</sub>O<sub>8</sub> could result in:

- default and foreclosure on the Company's assets, if its cash flow from operations were insufficient to pay its debt obligations as they become due;
- acceleration of its obligation to repay indebtedness, even if it has made all payments when due, if it breaches, without a waiver, covenants that require the maintenance of financial ratios or reserves or impose operating restrictions; or
- a demand for immediate payment of all principal and accrued interest, if any, if the indebtedness is payable on demand.

The occurrence of any or a combination of these factors could lead to a decrease in the value of the Ordinary Shares or have a material adverse effect on the Company's financial condition and results of operations.

***Substantial sales of Ordinary Shares by Directors or other persons, or the possibility of such sales, may affect the market price of the Ordinary Shares***

The Directors have agreed, for a 12 month period after Admission, subject to certain exceptions, and among other things, not to offer, sell, contract to sell, grant options over or otherwise dispose of, directly or indirectly, any of their Ordinary Shares. Although there is no present intention or arrangement to do so, and there are no options for Ordinary Shares outstanding, those Directors may, following the expiry of the initial 12 month lock-in period, sell their Ordinary Shares without restriction, subject to customary orderly market provisions which last for a further 12 months. The event of a substantial amount of Ordinary Shares being sold by the Directors or any other person, or the perception that sales of this type could occur, could depress the market price of the Ordinary Shares.

***The offering of Ordinary Shares by the Company as consideration for a purchase of U<sub>3</sub>O<sub>8</sub> may have an adverse effect on the existing shareholdings***

The Company may decide to offer its Ordinary Shares or other securities as consideration or part consideration for a purchase of U<sub>3</sub>O<sub>8</sub>. Although there is no current intention to do so, such an offer would have the effect of diluting any existing holdings of such Ordinary Shares or other securities.

***Dividend payments on the Ordinary Shares are not guaranteed***

Since one of the Company's objectives is to realise a return on investment from the appreciation in the value of its U<sub>3</sub>O<sub>8</sub> holdings, the Company does not currently expect to issue dividends on a regular or fixed basis. To the extent the Company pays dividends on the Ordinary Shares in



the future, it will pay such dividends at such times (if any) and in such amounts (if any) as the Board determines appropriate, taking account of, amongst other things, the Company's financial position and cash requirements, and in accordance with applicable law and accounting requirements. The Company's ability to pay dividends in the future will be dependent on its ability to generate revenue from the sale of U<sub>3</sub>O<sub>8</sub> and its other uranium-related activities (which will, in turn, be dependent on the uranium price). The Company can give no assurance that it will be able to pay dividends going forward or as to the amount of such dividends, if any.

***A prospective investor's ability to invest in the Ordinary Shares or to transfer any Ordinary Shares that it holds may be limited by certain ERISA, US Tax Code and other considerations***

The Company will use commercially reasonable efforts to restrict the ownership and holding of its Ordinary Shares so that none of its assets will constitute "plan assets" under the Plan Assets Regulations. The Company intends to impose such restrictions based on deemed representations and has included certain restrictions in its Articles (as described at paragraph 6.2.3 of Part IV of this Document). However, the Company may permit limited participation in the Placing by certain Plan Investors and cannot guarantee that Ordinary Shares will not be acquired by other Plan Investors. If the Company's assets were deemed to be plan assets of an ERISA Plan (as defined in paragraph 2 of Part VI of this Document): (i) the prudence and other fiduciary responsibility standards of ERISA would apply to assets of the Company; and (ii) certain transactions, including transactions that the Company may enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under section 406 of ERISA or section 4975 of the US Tax Code and might have to be rescinded. A non-exempt prohibited transaction, in addition to imposing potential liability on fiduciaries of the ERISA Plan, may also result in the imposition of an excise tax on "parties in interest" (as defined in ERISA) or "disqualified persons" (as defined in the US Tax Code), with whom the ERISA Plan engages in the transaction. Governmental plans, certain church plans and non-US plans, while not subject to Part 4 of Subtitle B of Title I of ERISA, section 4975 of the US Tax Code, or the Plan Asset Regulations, may nevertheless be subject to other state, local, non-US or other regulations that have similar effect.

See paragraph 2 of Part VI of this Document for a more detailed description of certain ERISA, US Tax Code and other considerations relating to an investment in the Ordinary Shares. However, these remedies may not be effective in avoiding characterisation of the Company's assets as "plan assets" under the Plan Assets Regulations and, as a result, the Company may suffer the consequences described above.

***The Company is not, and does not intend to become, registered in the US as an investment company under the US Investment Company Act and Shareholders will not be entitled to the protections of the US Investment Company Act***

An entity may generally be deemed to be an investment company, as defined under Sections 3(a)(1)(A) and (C) of the US Investment Company Act, if it is primarily engaged or holds itself out as engaging primarily in the business of investing, reinvesting or trading in securities or if it owns investment securities (as that term is defined in the US Investment Company Act) having a value exceeding 40% of its total assets. The Company does not believe that its proposed activities, or the manner in which it will conduct its business, will require it to register as an investment company under the US Investment Company Act. Accordingly, the Company has not been, and does not intend to be, registered in the United States as an investment company under the US Investment Company Act. The US Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not so registered and does not plan to be registered, none of these protections or restrictions is or will be applicable to the Company and the Shareholders do not have the regulatory protections provided by the US Investment Company Act.

***Regulatory requirements may affect the pricing, terms and compliance costs associated with certain regulated commodity transactions that may be undertaken by the Company***

The CFTC and other US regulatory authorities have promulgated a range of regulatory requirements (the "US Regulations") that may affect the pricing, terms and compliance costs associated with certain regulated transactions (including commodity instruments that are regulated by the CFTC) that the Company may, in the future, enter into. Some or all of these

regulated transactions the Company may enter into may be affected by (i) the requirement that certain swaps be centrally cleared and in some cases traded on a designated contract market or swap execution facility, (ii) initial and variation margin requirements of any central clearing organization (with respect to cleared swaps) or initial or variation margin requirements as may otherwise be required with respect to off-exchange (OTC) swaps, (iii) swap reporting and recordkeeping obligations, and certain other regulatory obligations. These requirements may significantly increase the cost to the Company of entering into these regulated transactions, and the Company may face unforeseen legal consequences or there may be other material adverse effects on the Company or its Shareholders.

***If the Company were deemed to be a US domestic issuer, as such term is defined in Regulation S, it may be required to institute burdensome compliance requirements***

The Ordinary Shares have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction and, unless so registered, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction. It is the obligation of the Shareholders to ensure that any resales or other transfers of the Ordinary Shares within the United States and other countries comply with applicable securities laws.

The Company does not believe that it is a domestic issuer as defined in Regulation S as the Company currently meets the requirements for a foreign private issuer under Rule 405 under the Securities Act. Whilst the Company has no plans to take any action which would result in it ceasing to be a foreign private issuer, there can be no assurance that in the future the Company will continue to meet such requirements.

If the Company were deemed to be a domestic issuer as defined in Regulation S, the Company may be subject to burdensome reporting and disclosure requirements if it were required to file reports under the United States Exchange Act of 1934, as amended, with the SEC.

***The Company is expected to be a “passive foreign investment company” for US federal income tax purposes for its current tax year and in future tax years, which may result in adverse US tax consequences to US investors***

For US federal income tax purposes, the Company believes it will be a “passive foreign investment company” (as defined in section 1297 of the US Internal Revenue Code of 1986, as amended) in the current year and the foreseeable future and adverse tax consequences could apply to US investors as described herein. Subject to certain limitations, these tax consequences may be mitigated if a US taxpayer makes a timely and effective “qualified electing fund” election or “mark-to-market” election, if available, with respect to the Ordinary Shares. The Company has agreed that it will use reasonable endeavours to maintain such records and provide on a timely basis all of the annual information under the US Internal Revenue Code to US persons holding the Ordinary Shares who have requested such information to make and maintain a “qualified electing fund” election with respect to their Ordinary Shares. For further discussion of the Company’s possible classification as a passive foreign investment company, see paragraph 18 of Part IV. Each potential investor who is a US taxpayer should consult its own tax advisor regarding the tax consequences of the PFIC rules and the acquisition, ownership, and disposition of the Ordinary Shares.

***The proposed AIM listing of the Ordinary Shares will afford investors a lower level of regulatory protection than a Premium Listing***

Application will be made for the Ordinary Shares to be admitted to AIM. Listing on AIM will afford investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing on the Official List, which would be subject to additional obligations under the Listing Rules. Listing on AIM will not permit the Company to gain a FTSE indexation, which may have an adverse effect on the valuation of the Ordinary Shares.

***The Company may be unable to transfer to an alternative listing venue***

The Directors may in the future seek to transfer from the Company's listing on AIM to a Standard Listing, Premium Listing or other appropriate listing venue, subject to fulfilling the relevant eligibility criteria at the time. There can be no guarantee that the Company will meet such eligibility criteria or that a transfer to a Standard Listing, Premium Listing or other appropriate listing venue will be achieved.

A change of or failure to change listing venue may have an adverse effect on the valuation of the Ordinary Shares. Alternatively, in addition to, or in lieu of seeking a Standard or Premium Listing, the Company may determine to seek a listing on another stock exchange, which may not have standards of corporate governance comparable to those required by a Standard or Premium Listing or which Shareholders may otherwise consider to be less attractive or convenient.

***The Ordinary Shares may trade at a discount to net asset value per Ordinary Share***

The Ordinary Shares may trade at a discount to net asset value per Ordinary Share for a variety of reasons, including adverse market conditions, an excess of supply over demand in the Ordinary Shares, and general expectations on the future uranium price. In addition, because the Company's net asset value per Ordinary Share will be calculated based on the uranium price as of a specific date, the quoted net asset value per Ordinary Share may not reflect the actual realisable value of the Company's U<sub>3</sub>O<sub>8</sub> at a point in time after the relevant uranium price was taken.

***Dilution of Shareholders' interests as a result of additional equity fundraising***

The Company may need to raise additional funds in the future to finance, amongst other things, purchases of U<sub>3</sub>O<sub>8</sub>. In the event of an increase in the Company's share capital, Shareholders are, subject to certain exceptions and save to the extent Shareholders have disappplied the pre-emption rights, entitled to exercise the pre-emption rights described at paragraph 6.2.19 of Part IV of this Document.

However, the securities laws of certain jurisdictions may restrict the Company's ability to allow Shareholders to participate in offerings of the Company's securities and to exercise pre-emption rights. Accordingly, subject to certain exceptions, Shareholders with registered addresses, or who are resident or located in certain jurisdictions outside the United Kingdom, including the United States, may not be eligible to exercise pre-emption rights. As a result, Shareholders with registered addresses or who are resident or located in such jurisdictions, including the United States, may experience dilution of their ownership and voting interest in the Company's share capital.

***There is no public market for the Ordinary Shares outside the United Kingdom***

The Ordinary Shares will not be registered under the relevant laws of the United States and certain other jurisdictions and may not be resold, transferred or delivered, directly or indirectly, within such jurisdictions except pursuant to an applicable exemption from the applicable security laws. The Company has no intention to file any such registration statement or list the Ordinary Shares on any securities exchange or interdealer quotation system (other than AIM). As a consequence, an active trading market is not expected to develop for the Ordinary Shares outside the United Kingdom and investors outside the United Kingdom may not be able to sell the Ordinary Shares or achieve an acceptable price. As a prospective investor, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

## PART IV

### ADDITIONAL INFORMATION

#### 1 Responsibility

- 1.1 The Directors, whose names and functions appear on page 2 of this Document, and the Company accept responsibility both individually and collectively for the information contained in this Document. To the best of the knowledge and belief of the Directors, and the Company (who have taken all reasonable care to ensure that such is the case) the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information. All the Directors accept individual and collective responsibility for compliance with the AIM Rules. Under no circumstances should the information contained in this Document be relied upon as being accurate at any time after Admission.

#### 2 The Company

- 2.1 The Company was incorporated in Jersey as a public limited company with company number 125612 on 18 January 2018 under the Jersey Companies Law under the name of Yellow Cake plc.
- 2.2 The principal legislation under which the Company operates is the Jersey Companies Law and the regulations made thereunder. The liability of the members is limited.
- 2.3 The Company is domiciled in Jersey. The Company's registered office is at 3<sup>rd</sup> Floor, Liberation House, Castle Street, St. Helier, Jersey JE1 1BL, and its telephone number is + 44 1534 885200.
- 2.4 As the Company was recently incorporated, there are no important events in the development of the Company's business other than the entry into the material contracts described at paragraph 10 of this Part IV.
- 2.5 The accounting reference date of the Company is 31 March.
- 2.6 The principal activities of the Company are:
- 2.6.1 the purchase and holding of U<sub>3</sub>O<sub>8</sub> for the purpose of realising returns on investment from the appreciation in the value of its U<sub>3</sub>O<sub>8</sub>; and
  - 2.6.2 exploiting a range of expected opportunities connected with owning U<sub>3</sub>O<sub>8</sub>, such as the trading of U<sub>3</sub>O<sub>8</sub>, optimisation of logistics associated with the trading of U<sub>3</sub>O<sub>8</sub>, generating revenue from the lending of U<sub>3</sub>O<sub>8</sub>, and uranium based financing initiatives such as commodity streaming and royalties.

#### 3 Subsidiaries

- 3.1 The Company has no, and has never had any, subsidiaries. There are no undertakings in which the Company holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profit and losses.
- 3.2 There are no companies in which the Company has an interest.

#### 4 Share Capital

- 4.1 The Company was incorporated with an authorised share capital of £10,000 divided into 10,000 ordinary shares of £1.00 each. On incorporation, 100 ordinary shares of £1.00 each were issued fully paid to the subscribers of the Company's memorandum of association. Such shares were then subsequently transferred to Bacchus Capital.
- 4.2 On 8 June 2018, the Company's 100 existing ordinary shares of £1.00 each were sub-divided into 10,000 ordinary shares of £0.01 each.
- 4.3 On 26 June 2018, the Company resolved by resolutions of its sole shareholder, in each case with effect from Admission:
- 4.3.1 to increase the authorised share capital of the Company to £100,000,000, divided into 10,000,000,000 Ordinary Shares of £0.01 each;
  - 4.3.2 to generally and unconditionally authorise the Directors of the Company pursuant to Article 7 of the Articles to allot, and/or grant rights to subscribe for, or to convert any security into, up to the following maximum number of shares (together, "**Relevant Securities**"):

- 4.3.2.1 80,000,000 shares in connection with the issue of the New Ordinary Shares, such authority, unless renewed, varied or revoked by the Company, to expire on the date falling one year from the date on which the resolution was passed;
- 4.3.2.2 40,000,000 shares in connection with the purchase by the Company of up to US\$100 million of U<sub>3</sub>O<sub>8</sub> per calendar year under the Kazatomprom Contract and the payment of any related commissions and incidental expenses, such authority, unless renewed, varied or revoked by the Company, to expire at the conclusion of the Company's first annual general meeting; and
- 4.3.2.3 3,805,565 shares to such persons at such times and generally on such terms and conditions as the Directors may determine, such authority, unless renewed, varied or revoked by the Company, to expire at the conclusion of the Company's first annual general meeting,

save that, in each case, the Company may before the expiry date make an offer or agreement which would or might require Relevant Securities to be allotted and the Directors may allot Relevant Securities in pursuance of that offer or agreement as if such authority had not expired; and]

- 4.3.3 to empower the Directors pursuant to Article 9 of the Articles to allot equity securities (as defined in the Articles) for cash pursuant to the authorities referred to in paragraph 4.3.2, as if Article 8 of the Articles did not apply to such allotment, provided that this power shall be limited to the allotment of up to the following maximum number of equity securities:

- 4.3.3.1 80,000,000 equity securities in connection with the issue of the issue of the New Ordinary Shares, such authority, unless renewed, varied or revoked by the Company, to expire on the date falling one year from the date on which the resolution was passed;
- 4.3.3.2 40,000,000 equity securities in connection with the purchase by the Company of up to US\$100 million of U<sub>3</sub>O<sub>8</sub> per calendar year under the Kazatomprom Contract and the payment of any related commissions and incidental expenses, such authority, unless renewed, varied or revoked by the Company, to expire at the conclusion of the Company's first annual general meeting; and
- 4.3.3.3 3,805,565 equity securities to such persons at such times and generally on such terms and conditions as the Directors may determine, such authority, unless renewed, varied or revoked by the Company, to expire at the conclusion of the Company's first annual general meeting,

save that, in each case, the Company may before the expiry date make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of that offer or agreement as if such authority had not expired.

- 4.4 In addition, by written special resolution of the sole Shareholder of the Company passed on 26 June 2018, the Directors will, following Admission, and until the Company's first annual general meeting in 2019, have authority to make market acquisitions, in accordance with the Jersey Companies Law, of up to ten per cent. of the Company's Ordinary Shares in issue upon Admission.

Further to such authority, the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is £0.01 and the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is an amount equal to the higher of (i) 105 per cent. of the average of the market value for an Ordinary Share taken from the AIM Appendix to the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the Ordinary Share is purchased; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange.

This authority expires at the end of the annual general meeting of the Company to be held in 2019 or, if earlier, the date falling 18 months from the passing of the resolution unless such authority is renewed prior to such time and the Company may make a contract to purchase Ordinary Shares under the authority prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.



The Company will seek renewal of this authority from Shareholders at the annual general meeting in 2019 and thereafter at subsequent annual general meetings. The making and timing of any market acquisitions will be at the absolute discretion of the Board and subject to the availability of funding and compliance with the Jersey Companies Law.

- 4.5 The Placing, the Subscription and the transactions described at paragraph 20.15 of this Part IV, will result, in the aggregate, in the issue of 76,166,630 New Ordinary Shares on Admission. The Company will issue Ordinary Shares to the Placees and URC, conditionally upon Admission occurring not later than 8:00 a.m. on 5 July 2018 (or such later time and/or date not being later than 3:00 p.m. on 16 July 2018, as the Company, Numis and Berenberg may agree). The Company will issue Ordinary Shares to the persons described at paragraph 20.15 of this Part IV and the other subscribers for the Subscription Shares conditional upon Admission. The Company's issued and fully paid share capital is, at the date of this Document, and is expected to be immediately following Admission (assuming that all New Ordinary Shares are issued):

	<b>At the date of this Document</b>		<b>Immediately following Admission</b>	
	<b>Aggregate nominal amount</b>	<b>Number of Ordinary Shares</b>	<b>Aggregate nominal amount</b>	<b>Number of Ordinary Shares</b>
Issued and fully paid	£100	10,000	£761,766.30	76,176,630

- 4.6 The Company does not have in issue any securities not representing share capital and there are no outstanding convertible securities, exchangeable securities or securities with warrants issued or proposed to be issued by the Company.
- 4.7 Save as set out in this paragraph 4, there have been no movements in the Company's share capital since incorporation on 18 January 2018 to the date of this Document.
- 4.8 On Admission (assuming that all New Ordinary Shares are issued) the issued share capital of the Company shall be increased by 76,166,630 New Ordinary Shares resulting in immediate dilution of 99.99 to Bacchus Capital, the Company's sole Shareholder, taking into account the issue of Ordinary Shares to them pursuant to paragraph 20.15 of this Part IV.
- 4.9 The Ordinary Shares in issue at Admission will be in registered form and following Admission may be held in certificated form or in uncertificated form. In the case of Ordinary Shares held in uncertificated form, the Articles permit the holding and transfer of Ordinary Shares under CREST. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Directors have applied for the Ordinary Shares to be admitted to CREST. The records in respect of Ordinary Shares held in uncertificated form will be maintained by Euroclear and the Company's Registrar, Link Market Services (Jersey) Limited (details of whom are set out on page 3 of this Document).
- 4.10 It is anticipated that, where appropriate, share certificates will be despatched by first class post within ten working days of Admission. Temporary documents of title will not be issued. Prior to the despatch of definitive share certificates, transfers will be certified against the register.
- 4.11 It is expected the CREST Accounts will be credited as applicable on the date of Admission. The International Security Identification Number ("ISIN") of the Ordinary Shares is JE00BF50RG45 and the Stock Exchange Daily Official List ("SEDOL") number is BF50RG4.
- 4.12 There are no shares in the Company which are held by, or on behalf of, the Company.
- 4.13 There are no shares in the Company which are issued but not fully paid.



## 5 Significant shareholders

- 5.1 Save as disclosed at paragraph 7.4 of this Part IV, the Company is only aware of the following persons who, at the date of this Document or immediately following Admission, represent an interest (within the meaning of DTR Chapter 5) directly or indirectly, jointly or severally, in 3% or more of the Company's share capital or could exercise control over the Company:

Shareholder	At the date of this Document		Following Admission	
	Number of Ordinary Shares	Existing Share Capital %	Number of Ordinary Shares	Interests in Enlarged Share Capital %
Bacchus Capital	10,000	100	671,770	0.88
Uranium Royalty Corporation	—	—	7,600,000	9.98
Dolfin Financial (UK) Limited	—	—	7,600,000	9.98
Putnam Investment Management LLC	—	—	6,165,261	8.09
Tribeca Investment Partners Pty Ltd	—	—	5,622,608	7.38
Kopernik Global Investors	—	—	5,000,000	6.56
BlackRock Advisors (UK) Limited	—	—	3,554,566	4.67
azValor Asset Management	—	—	3,217,931	4.22
Toscafund Asset Management LLP	—	—	2,750,000	3.61
Legal & General Investment Management	—	—	2,550,000	3.35
	<u>10,000</u>	<u>100</u>	<u>44,732,136</u>	<u>58.72</u>

- 5.2 None of the holders of Existing Ordinary Shares listed above have voting rights different from the other holders of Existing Ordinary Shares.
- 5.3 Save as disclosed in this paragraph 5, neither the Company nor the Directors are aware of any person or persons who either alone or, if connected, jointly following Admission will (directly or indirectly) exercise or could exercise control of the Company.
- 5.4 Insofar as known to the Company, no arrangements are in place, the operation of which may at a later date result in a Change of Control in the Company.
- 5.5 Bacchus Capital, which will control approximately 69% of the shares in 308 Services upon Admission, is the sole Shareholder in the Company at the date of this Document and will hold 0.88% of the Enlarged Share Capital following Admission.

## 6 Memorandum and Articles of Association

- 6.1 Under the Jersey Companies Law, the capacity of a Jersey company is not limited by anything contained in its memorandum or articles of association or by any act of its members. Accordingly, the Company's memorandum of association does not contain an objects clause.
- 6.2 The Articles were adopted by means of a special resolution passed by the Company's sole Shareholder on 26 June 2018. Certain provisions have been incorporated into the Articles to enshrine rights that are not conferred by the Jersey Companies Law, but which the Board believes investors would expect in a company with a listing on AIM. The Articles include provisions to the following effect:

### 6.2.1 Voting rights (*Article 46*)

Subject to the Articles and to any special terms as to voting on which any shares may be issued (no such shares currently being in issue):

#### 6.2.1.1 on a show of hands:

- 6.2.1.1.1 every member present in person (or, being a corporation, present by a duly authorised representative) or by proxy shall have one vote; and

- 6.2.1.1.2 every proxy who has been appointed by more than one member entitled to vote on the resolution shall have two votes, one vote for and one against the resolution if: (a) one or more of the members instructed him to vote for and one or more of the members instructed him to vote against the resolution; or (b) one or more of the members instructed him to vote for the resolution and one or more of the members gave him discretion as to how to vote and he exercises his discretion by voting against the resolution; or (c) one or more of the members instructed him to vote against the resolution and one or more of the members gave him discretion as to how to vote and he exercises his discretion by voting for the resolution; and
- 6.2.1.1.3 on a poll every member present in person or by proxy shall have one vote for each share of which he is the holder.
- 6.2.1.1.4 in certain circumstances, members who fail to respond to a disclosure notice will not be permitted to vote (see below).

## 6.2.2 Transfer of shares (*Articles 18 – 20*)

The Ordinary Shares are in registered form and are capable of being held in uncertificated form. Save as described below, the Ordinary Shares will be freely transferable upon Admission.

A member may transfer all or any of his shares in any manner which is permitted by the Jersey Companies Law (and every other statute, statutory instrument, regulation or order for the time being in force concerning companies registered under the Jersey Companies Law) and is from time to time approved by the Board.

The Board may, in its absolute discretion, refuse to register any transfer of an uncertificated share where permitted to do so by applicable law, including the Jersey Companies Law and the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended.

All transfers of certificated shares must be effected by a transfer in writing in any usual form or any other form approved by the Board. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee.

The Directors may, in their absolute discretion, refuse to register any instrument of transfer of a certificated share:

- 6.2.2.1 which is not fully paid up (but, in the case of a class of shares which has been admitted to AIM, the Official List or a regulated market within the EEA, such discretion may not be exercised in such a way as to prevent dealings in those shares from taking place on an open and proper basis);
- 6.2.2.2 on which the Company has a lien; or
- 6.2.2.3 in respect of which a disclosure notice has been issued and not responded to (see below).

If the Directors refuse to register a transfer of a share they shall, as soon as practicable and in any event within two months after the date on which the instrument of transfer was lodged or the operator instruction was received, give to the transferee notice of the refusal. The Directors must also provide the transferee with such further information about the reasons for the refusal as the transferee may reasonably request.

## 6.2.3 Restrictions on purchasers of Ordinary Shares (*Article 21*)

Other than a purchaser subscribing for new Ordinary Shares in connection with which the purchaser: (a) obtains the written consent of the Company; and (b) provides an ERISA certificate to the Company as to its status as a “US Plan Investor” or “Controlling Person” for the purposes of ERISA, the Ordinary Shares and any beneficial interests therein may not be acquired or held by investors using assets of any such US Plan Investor or Controlling Persons. Each subsequent transferee, by acquiring the Ordinary Shares or a beneficial interest therein, will be deemed to represent, agree and acknowledge that no portion of the assets used to acquire or hold its interest in the Ordinary Shares constitutes or will constitute the assets of any such US Plan Investor or Controlling Person.

#### 6.2.4 Dividends and distributions (*Articles 111 – 113, Article 118*)

The Board may authorise and pay distributions at any time in accordance with the Jersey Companies Law. In addition, subject to the Jersey Companies Law, the Company in general meeting may, by ordinary resolution, declare dividends in accordance with the respective rights of the members and may fix the time for payment of such dividend, provided that no dividend shall be payable in excess of the amount recommended by the Board. Subject to the Jersey Companies Law, the Board may pay such interim dividends as appear to them to be justified by the financial position of the Company and may also pay any dividends payable at a fixed rate at intervals settled by the Board as appear to be justified by the financial position of the Company. No distribution or other moneys payable in respect of a share shall bear interest as against the Company.

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide, all distributions shall be declared, apportioned and paid *pro rata* according to the number of shares held by each member (save where a share is not fully paid).

Any distribution unclaimed for a period of 12 years after having become due for payment shall be forfeited and cease to remain owing by the Company.

#### 6.2.5 Disclosure of interests in shares – general (*Article 27*)

The Company may give a notice (a “**disclosure notice**”) to any person whom it knows or has reasonable cause to believe is either: (i) interested in the Company’s shares; or (ii) has been so interested at any time during the three years immediately preceding the date on which the disclosure notice is issued.

The disclosure notice may require the person: (A) to confirm that fact or (as the case may be) to state whether or not it is the case; and (B) if he holds, or has during that time held, any such interest, to give such further information as may be required.

A holder of shares whose shareholding represents less than 0.25% of the issued shares of that class who fails to provide the information within 28 days after the notice has been given shall not be entitled to vote either personally or by proxy at a shareholder meeting or to exercise any other right conferred by membership in relation to shareholder meetings until (a) the date seven days after the date on which the Board is satisfied that the default is remedied; (b) the Company is notified that the default shares are the subject of an exempt transfer; or (c) the Board decides to waive those restrictions in whole or in part. A holder of shares whose shareholding represents 0.25% or more of the issued shares of that class who fails to provide the information within 14 days after the notice has been given shall, in addition to the restrictions on voting and rights of membership described above, also not be entitled to receive any payment by way of dividend on, or to transfer, or to transfer any rights in, the shares. These restrictions shall not prejudice: (i) a sale of the shares on a recognised investment exchange in the United Kingdom; (ii) a sale of the whole beneficial interest in the shares to a person whom the Board are satisfied is unconnected with the existing holder or with any other person appearing to be interested in the shares; or (iii) a disposal of the shares by way of acceptance of a takeover offer.

#### 6.2.6 Disclosure of interests in shares – DTR5 and AIM Rules (*Article 28*)

If at any time the Company has a class of shares admitted to AIM, the provisions of Chapter 5 of the Disclosure and Transparency Rules will be deemed to be incorporated by reference into the Articles, applied as if the Company were an “issuer” and not a “non-UK issuer” as defined under such Rules. In accordance with these Rules, Shareholders will be required to notify the Company if the voting rights attached to shares held by them (subject to some exceptions) reach, exceed or fall below 3% and each 1% threshold thereafter up to 100%.

In addition, to enable the Company to comply with its obligations under the AIM Rules, the Articles require any Shareholder who has a legal or beneficial interest in 3% or more of the Ordinary Shares to notify the Company of any change to its interest in shares above 3% which increases or decreases such interest through any single percentage.

6.2.7 Distribution of assets on a winding up (*Article 158*)

Subject to any particular rights or limitations for the time being attached to any shares, if the Company is wound up, the assets available for distribution among Shareholder shall be distributed to the members *pro rata* to the number of shares held by each Shareholder at the time of the commencement of the winding up. If any share is not fully paid up, that share shall only carry the right to receive a distribution calculated on the basis of the proportion that the amount paid up on that share bears to the issue price of that share.

6.2.8 Changes in share capital (*Article 5, Article 11, Article 14*)

Subject to the Jersey Companies Law and without prejudice to any rights attached to any existing shares, any share may be issued with or have attached to it such preferred, deferred or other special rights or restrictions as the Company may by special resolution determine or, in the absence of such determination, as the Board may determine. Subject to Jersey Companies Law, the Company may issue shares which are, or at the option of the Company or the holder are liable, to be redeemed.

The Company may, by altering its memorandum of association by special resolution, alter its share capital in any manner permitted by the Jersey Companies Law.

Subject to the Jersey Companies Law, the Company may reduce its share capital in any way, and may also, subject to the Jersey Companies Law, purchase its own shares.

6.2.9 Variation of rights (*Article 17*)

Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class of shares may, subject to the statutes, be varied or abrogated with the consent in writing of the holders of three quarters in nominal value of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class. The quorum at any such separate meeting shall be two persons holding or representing at least one-third in nominal amount of the issued shares of that class, or if the meeting is adjourned, any holder or holders of the issued shares of that class who is or are present in person or by proxy shall be a quorum. Under the Jersey Companies Law, in the absence of any provision in the Articles to the contrary, a variation of class rights would require the consent in writing of the holders of two thirds in nominal value of the issued shares of that class. The Articles increase this threshold.

6.2.10 Appointment and retirement of Directors (*Articles 56 – 62*)

The Directors shall not, unless otherwise determined by an ordinary resolution, be less than three in number.

At the first annual general meeting of the Company, all of the Directors shall retire from office and at every subsequent annual general meeting any Director: (a) who has been appointed by the Board since the previous annual general meeting; or (b) for whom it is the third annual general meeting following the last annual general meeting at which he was appointed or re-appointed, shall retire, but shall be eligible for re-appointment.

The Board may appoint any person who is willing to act to be a Director, either to fill a vacancy or by way of addition to their number, but so that the total number of Directors shall not exceed any maximum number fixed by or in accordance with the Articles.

The Company may by ordinary resolution remove any Director before his period of office has expired notwithstanding anything in the Articles or in any agreement between him and the Company.

6.2.11 URC Director (*Article 65*)

Should URC hold at least 10% of the outstanding voting rights in the Company, URC shall, subject to the following paragraph, be entitled to nominate and appoint one person to be a director of the Company (a person so appointed, the “**URC Director**”) and to remove the URC Director from office.

No person shall be appointed as the URC Director unless the proposed appointee meets the minimum requirements (if any) as to director suitability and qualifications set out in the rules of any exchange on which the Company's shares are admitted to trading or applicable law and, for so long as any shares are admitted to trading on AIM, the Company's nominated adviser from time to time has confirmed in writing that it is satisfied as to the suitability of the proposed appointee.

Notwithstanding any other provision of the Articles:

- (i) the URC Director shall not be required to retire by rotation unless required to do so by the rules of any exchange on which the Company's shares are admitted to trading;
- (ii) the provisions of the Articles relating to the payment of fees or reimbursement of expenses of the Directors do not apply to the URC Director (save for the payment of expenses incurred in obtaining professional advice in connection with the affairs of the Company or the discharge of his duties as a director); and
- (iii) the URC Director shall not vote on (or be counted in the quorum for) any matter which could, in the view of the other Directors, give rise to a potential conflict of interest.

#### 6.2.12 Proceedings of Directors

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be three.

#### 6.2.13 Directors' interests (*Articles 79 – 84*)

Subject to any applicable statutory provisions and to declaring his interests in accordance with the Articles, a Director may enter into or be interested in any transaction or arrangement with the Company, either with regard to his tenure of any office or position in the management, administration or conduct of the business of the Company, or as vendor, purchaser or otherwise. A Director may hold and be remunerated in respect of any other office or place of profit with the Company (other than the office of auditor of the Company) in conjunction with his office as a Director and he (or his firm) may also act in a professional capacity for the Company (except as auditor) and may be remunerated for it.

A Director who is in any way, whether directly or indirectly, interested in a transaction or arrangement or a proposed transaction or arrangement with the Company shall disclose to the other Directors the nature and extent of the interest or situation in accordance with the Articles.

A Director shall not, subject to certain exceptions, vote (or be counted in the quorum at a meeting) in relation to any transaction or arrangement or other proposal in which he has an interest which (together with any interest of any connected person of his) is to his knowledge a direct or indirect interest and may reasonably be regarded as likely to give rise to a conflict of interest.

A Director who is a director of or employed by 308 Services shall not vote (or be counted in the quorum at a meeting) in relation to any resolution directly or indirectly concerning 308 Services.

The Directors may, in accordance with the Articles, authorise a situation where a Director has, or can have, a direct or indirect interests that conflicts with the interest of the Company (other than a conflict of interest in relation to a transaction or arrangement with the Company) on such terms as they may determine.

#### 6.2.14 Remuneration of Directors and other benefits (*Articles 67 – 71*)

The Directors will be paid fees not exceeding in aggregate £1 million per annum (or such larger sum as the Company may, by ordinary resolution, determine). Such fee shall be divided among them in such proportion and manner as they may agree or, failing agreement, equally. Any fee payable under this paragraph is distinct from any remuneration or offer amounts payable to a Director under any other provision of the Articles.



The Board may grant special remuneration to any Director who performs any special or extra services to, or at the request of, the Company. Special remuneration may be payable to a Director in addition to his ordinary remuneration (if any) as a Director.

The remuneration of a Director appointed to any executive office shall be fixed by the Board and may be by way of salary, commission, participation in profits or otherwise and either in addition to or inclusive of his remuneration as a Director.

The Directors shall also be paid out of the funds of the Company all expenses properly incurred by them in and about the discharge of their duties, including their expenses of travelling to and from the meetings of the Board, committee meetings and shareholder meetings. Subject to the Jersey Companies Law, a Director may also be paid all expenses incurred by him in obtaining professional advice in connection with the affairs of the Company or the discharge of his duties.

The Directors may exercise all the powers of the Company to pay, provide or procure the grant of pensions or other retirement or superannuation benefits and death, disability or other benefits, allowances or gratuities to any person who is or has been at any time a Director or in the employment or service of the Company or of any body corporate which is or was an associated body corporate of the Company, or the relatives or dependants of any such person.

The Company shall not make a payment for loss of office to a Director unless the payment has been approved by an ordinary resolution of the Company. This requirement for shareholder approval does not apply to any payment made in good faith in discharge of an existing legal obligation or in certain other scenarios.

#### 6.2.15 Borrowing powers (*Articles 75*)

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets and uncalled capital and to issue debentures and other securities for any debt, liability or obligation of the Company or of any third party.

#### 6.2.16 Shareholders' meetings (*Articles 30 – 45*)

Annual general meetings shall be held at least once in each calendar year within six months of the end of each financial year of the Company. The Board may call general meetings (other than annual general meetings) whenever it thinks fit or on the requisition of members pursuant to the provisions of the Jersey Companies Law and the Articles.

An annual general meeting shall be called by at least 21 clear days' notice and all other general meetings shall be called by at least 14 clear days' notice. Subject to any other restrictions, every notice of meeting shall be given to all members (other than any who, under the provisions of the Articles or the terms of issue of the shares they hold, are at the date of the notice not entitled to receive such notices from the Company) and to the Directors and auditors.

Every notice of meeting shall specify the place, the day and the time of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

The requisite quorum for general meetings of the Company shall be two qualifying persons entitled to vote at the meeting.

#### 6.2.17 Capitalisation of reserves (*Article 122*)

Subject to the Articles, the members may by way of resolution (the “**Capitalisation Resolution**”), on the recommendation of the Directors, resolve to capitalise: (i) any profits of the Company which are not required for the payment of any preferential dividend or a dividend payable at a fixed rate; or (ii) any sum standing to the credit of any reserve account of the Company including share premium account and capital redemption reserve or other reserve. The Capitalisation Resolution may be passed as an ordinary resolution unless it proposes to capitalise any sum standing to the credit of the capital redemption reserve, in which case it must be passed as a special resolution. A sum so capitalised may be applied in paying up in full any unissued shares or debentures of the Company then issued credited as fully paid to those members who would have been entitled to it if it were applied in paying a dividend or



distribution and in the same proportions. Any share premium account, capital redemption reserve or unrealised profits of the Company may not be applied in paying up any debentures of the Company.

6.2.18 Authority to allot securities (*Article 7*)

The Company may, from time to time pass an ordinary resolution authorising the Directors to exercise all the powers of the Company to allot “relevant securities” up to the number of shares specified in the ordinary resolution. The authority, if not previously revoked, shall expire on the day specified in the resolution, not being more than five years after the date on which the resolution is passed.

For these purposes, all shares in the Company (other than subscriber shares, or shares allotted pursuant to an employee share scheme) are “relevant securities”, as are all rights to subscribe for, or to convert any security into, shares in the Company.

6.2.19 Pre-emption rights (*Article 8*)

“Equity securities” to be paid up wholly in cash must be offered to existing Shareholders *pro rata* to their holdings of ordinary share capital of the Company except that, if a special resolution to disapply pre-emption rights has been passed, the Directors shall have power to allot equity securities for cash other than on a *pro rata* basis.

Such pre-emption rights are subject to such exclusions or other arrangements as the Board considers expedient in relation to (*inter alia*) legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange or any other matter.

For these purposes, all shares in the Company are “equity securities”, as are all rights to subscribe for, or to convert any security into, shares in the Company, save that the following are not “equity securities”: (i) a subscriber share; (ii) a share which, as respects dividends and capital, carries a right to participate only up to a specified amount in a distribution; and (iii) a share which is held by a person who acquired it pursuant to an employee share scheme or, in the case of a share which has not been allotted, is to be allotted pursuant to such a scheme or, in the case of a share held by the Company as a treasury share, is to be transferred in pursuance of such scheme.

Pre-emption rights do not apply to the allotment of bonus shares, equity securities paid up other than wholly or partly in cash or allotments pursuant to an employee share scheme.

The pre-emption rights in the Articles also apply to the sale of “equity securities” that, immediately prior to the sale, were held by the Company as treasury shares.

6.2.20 Website communication with shareholders (*Article 129*)

The Articles enable the Company to use its website as a means of sending or supplying documents or information to members. Before communicating with a member by means of its website, the Company must have asked the member, individually, to agree (generally or specifically) that the Company may send or supply documents or information to him by means of a website. A member shall be deemed to have agreed that the Company may send or supply a document or information to him by electronic means (e.g. by means of a website) if no response indicating a refusal of the request is received within 28 days (or such longer period as the Board may specify). When communicating with members by means of website communications, the Company must notify the intended recipient (by post or other permitted means) of the presence of a document or information on the website, the address of the website and place that it appears and how to access the document on the website.

6.2.21 Directors’ indemnities, insurance and defence expenditure (*Article 140*)

As far as the Jersey Companies Law (and every other statute, statutory instrument, regulation or order for the time being in force concerning companies registered under the Jersey Companies Law) allows, the Company may: (i) indemnify any Director (or any director of any associated body corporate) against any liability; (ii) indemnify a Director that is a trustee of an occupational pension scheme for employees (or former employees) of the Company (or of any associated body corporate) against liability

incurred in connection with that company's activities as trustee of the scheme; (iii) purchase and maintain insurance against any liability for any person referred to in paragraph (i) or (ii) above; and (iv) provide any person referred to in paragraph (i) or (ii) above with funds (whether by loan or otherwise) to meet expenditure incurred or to be incurred by him in defending any criminal, regulatory or civil proceedings or in connection with an application for relief (or to enable him to avoid incurring such expenditure).

- 6.3 The above is a summary of certain provisions of the Articles the full provisions of which are available on the Company's website.

## 7 Directors interests

- 7.1 The following table lists the full names of the Directors of the Company, together with his or her title and date of appointment:

Name	Title	Date of appointment
Anthony Tudor St. John, The Lord St. John of Bletso	Chairman	1 June 2018
Andre Leon Liebenberg	Chief Executive Officer	1 June 2018
Carole Helene Whittall <sup>(1)</sup>	Chief Financial Officer	1 June 2018
Alan David Rule	Non-Executive Director	1 June 2018
Alexander John Gosse Downer	Non-Executive Director	1 June 2018
Sofia Bianchi	Non-Executive Director	1 June 2018
James Alexander Keating	Non-Executive Director	18 January 2018

Notes

(1) Previous name: Carole Kopman

- 7.2 At the first annual general meeting of the Company all the Directors must retire from office.
- 7.3 The business address of all of the Directors is 3<sup>rd</sup> Floor, Liberation House, Castle Street, St. Helier, Jersey JE1 1BL.
- 7.4 The interests of the Directors in the issued Ordinary Share capital of the Company and the interests of each Director's family (which shall bear the meaning given to it as set out in the AIM Rules) required to be notified to the Company pursuant to Rule 17 of the AIM Rules and the existence of which is known or which could, with reasonable diligence, be ascertained by a Director are, and following Admission will be, as follows:

Shareholder	At the date of this Document		Following Admission	
	Number of Ordinary Shares	Existing Share Capital %	Number of Ordinary Shares	Interests in Enlarged Share Capital %
The Lord St. John of Bletso *	—	—	26,302	0.03
Andre Liebenberg	—	—	37,674	0.05
Carole Whittall	—	—	11,302	0.01
Alan Rule	—	—	18,837	0.02
Alexander Downer	—	—	26,372	0.03
Sofia Bianchi	—	—	18,838	0.02
James Keating	—	—	—	—

\* The Lord St. John of Bletso's shares are held through African Business Solutions Limited, in which he holds 100% of the Ordinary Shares.

- 7.5 The Directors are subscribing for 139,325 Ordinary Shares in aggregate pursuant to the Subscription. Until immediately prior to Admission, African Business Solutions, Sofia Bianchi, Andre Liebenberg, Alexander Downer and Alan Rule (the "Director Shareholders") were

shareholders in 308 Services. At Admission, 308 Services will re-purchase all of the shares in 308 Services held by the Director Shareholders at the price paid for such shares (being, in aggregate, US\$140,000) and the Director Shareholders will direct 308 Services to transfer the re-purchase proceeds to the Company in order to satisfy the Issue Price due in respect of some of the New Ordinary Shares to be issued to them pursuant to the Subscription. The remaining New Ordinary Shares being subscribed for by the Directors pursuant to the Subscription are being paid for in cash at the Issue Price by each relevant Director.

- 7.6 There are no outstanding loans granted by any member of the Company to the Directors or any guarantees provided by any member of the Company for the benefit of the Directors.
- 7.7 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 any member of 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.
- 7.8 There are no arrangements or understandings between the Directors and any major shareholder, customer or supplier of the Company pursuant to which any Director was selected or will be selected as a member of the administrative, management or supervisory bodies or member of senior management of the Company.
- 7.9 Save as set out in this Part IV, there are no restrictions on any Director on the disposal within a period of time of their holding of Ordinary Shares.
- 7.10 None of the Directors nor any member of their respective families (as defined in the AIM Rules) has a related financial product (as defined in the AIM Rules) referenced to the Ordinary Shares.

## **8 Directors' service agreements, letters of appointment and remuneration**

### **8.1 Executive Service Agreements**

#### **8.1.1 Andre Liebenberg service agreement**

8.1.1.1 Andre Liebenberg entered into a service agreement with the Company on 25 June 2018. The contract provides for Mr Liebenberg to act as Chief Executive of the Company and he is entitled to receive a basic annual salary of US\$125,000 per annum, payable in four equal instalments quarterly in advance.

8.1.1.2 Mr Liebenberg will be subject to confidentiality undertakings. The services of Mr Liebenberg are not deemed exclusive and he is entitled to act as a director of any other company.

8.1.1.3 The agreement automatically terminates upon the retirement or removal of Mr Liebenberg pursuant to the articles of association of the Company. Otherwise, any party can terminate the agreement with 90 days' notice. The agreement will automatically terminate if the Company is wound up or dissolved or is declared bankrupt under the laws of Jersey.

8.1.1.4 The agreement is governed by the laws of Jersey.

#### **8.1.2 Carole Whittall service agreement**

8.1.2.1 Carole Whittall's services are provided under a service contract between Mining Strategies Limited ("MSL"), a company wholly-owned by Ms Whittall and her spouse, and the Company dated 25 June 2018. Under the agreement, MSL agrees to provide the services of Ms Whittall as Chief Financial Officer of the Company in return for an annual fee of US\$100,000 per annum, payable in four equal instalments quarterly in advance.

8.1.2.2 MSL will procure that Ms Whittall will comply with certain confidentiality and intellectual property undertakings. The services of Ms Whittall and MSL are not deemed exclusive and Ms Whittall is entitled to act as a director of any other company.

8.1.2.3 The agreement automatically terminates upon the retirement or removal of Ms Whittall pursuant to the articles of association of the Company. Otherwise, any party can terminate the agreement with 90 days' notice. The agreement will automatically terminate if the Company is wound up or dissolved or is

declared bankrupt under the laws of Jersey. The Company can terminate Ms Whittall's engagement under the agreement without notice and without any further liability to make payments to MSL (save for amounts accrued at the date of termination) for gross misconduct, serious or repeated breach of the terms of the agreement, disqualification from being a director, conviction of a criminal offence which could have an adverse effect on the Company's business or insider dealing, a receiving order is made against Ms Whittall or she enters into any arrangement or composition with creditors or other act of bankruptcy, or if she is in material breach of the articles of association of the Company, any stock exchange rules, or other statutory or regulatory provisions from time to time in force and applicable to her as a director of the Company.

8.1.2.4 The agreement is governed by the laws of Jersey.

## 8.2 Non-Executive Letters of Appointment

8.2.1 Each of the non-executive Directors (other than James Keating whose services are supplied pursuant to the administration agreement described at paragraph 8.8 of this Part IV) has entered into a service contract under which such director is entitled to receive an aggregate fee of US\$40,000 per calendar year (US\$50,000 for The Lord St. John of Bletso as non-executive Chairman), payable in four equal instalments quarterly in advance.

8.2.2 The service contracts provide for confidentiality undertakings. The services of the relevant non-executive Director are not deemed exclusive and he is entitled to act as a director of any other company.

8.2.3 Each agreement automatically terminates upon the retirement or removal of the relevant Director pursuant to the articles of association of the Company. Otherwise, any party can terminate the agreement with 90 days' notice. The agreement will automatically terminate if the Company is wound up or dissolved or is declared bankrupt under the laws of Jersey.

8.2.4 The agreements are governed by the law of Jersey.

## 8.3 Directors' Salaries and Fees

The tables below set out the gross annual salary or fees payable to the Directors with effect from Admission. No salary or fees were paid in the previous year, as the Company was incorporated on 18 January 2018.

### 8.3.1 Executive Directors

<u>Name</u>	<u>Title</u>	<u>2018 Annual Salary</u>	<u>Bonus payable</u>
Andre Liebenberg	Director and CEO	US\$125,000	None
Carole Whittall	Director and CFO	US\$100,000	None

### 8.3.2 Non-executive Directors

<u>Name</u>	<u>Title</u>	<u>2018 Annual Fees</u>
The Lord St. John of Bletso	Chairman	US\$50,000
Alan Rule	Non-Executive Director	US\$40,000
Alexander Downer	Non-Executive Director	US\$40,000
Sofia Bianchi	Non-Executive Director	US\$40,000
James Keating	Non-Executive Director	See paragraph 8.8

8.4 Save as set out in paragraphs 8.1 and 8.2 above, there are no existing or proposed service contracts or consultancy agreements between any of the Directors and the Company or any member of the Company. None of the arrangements referred to in paragraph 8.1 or 8.2 above contain a right to benefits upon termination (other than those during the notice period under the relevant contract).

8.5 The Directors have not received and are not entitled to receive any Ordinary Shares or options over the Ordinary Shares in lieu or remuneration or as any form of compensation.

- 8.6 No sums have been set aside or accrued by the Company or any member of the Company to provide pension, retirement or similar benefits for the Directors.
- 8.7 There is no arrangement under which any Director has waived or agreed to waive future emoluments.
- 8.8 The services of James Keating are supplied pursuant to an administration agreement between Bacchus Capital and Langham Hall dated 18 December 2017. The annual administration fee payable by the Company under such agreement is US\$90,000. It is expected that this will be replaced by an agreement between Langham Hall and the Company on substantially the same terms shortly following Admission.

## 9 Additional information on the Directors

- 9.1 Other than Directorships of the Company, the Directors have been Directors or partners in the following companies or partnerships within the five years prior to the date of this Document:

<b>Name</b>	<b>Current</b>	<b>Past</b>
The Lord St. John of Bletso	Cognosec Limited Falcon Group Strand Hanson Ltd Integrated Diagnostic Holdings plc Rados UK Albion Ventures LLP Africa Business Solutions Limited Tyvak Orbital Networks Limited Rados International Services Limited Christel House Europe	Global Resources Investment Trust Estate & General (IOM Ltd) Africa Tikkon UK GRIT ZDP Limited Pharmasys Limited
Andre Liebenberg	Danakali Limited	QKR Corporation Investments (UK) Limited QKR Corporation Management (UK) Limited QKR Investments Limited QKR Namibia Navachab Gold Mine (Pty) Limited (Namibia) QKR Namibia Minerals Holdings (Pty) Limited
Carole Whittall	Mining Strategies Limited St James's Conservation Trust Ltd	ArcelorMittal Mining U.K. Limited Kalagadi Manganese (Proprietary) Limited ArcelorMittal Mining Canada G.P. Baffinland Iron Mines Corporation 1843208 Ontario Inc.
Alan Rule	Galaxy Lithium Australia Limited Galaxy Lithium Pty Ltd Galaxy Resources International Limited Galaxy Resources Share Plan Pty Ltd General Mining Corporation Limited	Sundance Exploration Pty Ltd Sundance Minerals Pty Ltd Sundance Mining Pty Ltd Sundance Resources Limited
Sofia Bianchi	Sitex SA Snaplight Ltd	Kenmare Resources Plc Alchemy Resources Plc

<b>Name</b>	<b>Current</b>	<b>Past</b>
	Atlante Capital Partners	Oroblu Resources G-Finance 2 Ltd ProBusiness Bank
Alexander Downer	CQS Management Limited Arbury Pty Ltd	Bespoke Approach Consultancy Huawei Australia
James Keating	6-8 Verney Road Limited 95 QVS Limited ATIM UK Property Holdings Limited Barwood General Partner 2017 Limited Barwood Property 2017 Trustee I Limited Barwood Property 2017 Trustee II Limited CB Acquisition LDN Limited CB SouthBerm 2 Limited Chesterfield Technology Investments Limited JCAM Commercial Real Estate Property XI Limited Kimpton Limited Eagle Island Limited Mali Limited MCTGF Trustee 1 Limited MCTGF Trustee 2 Limited Paloma I (Unitholder) Limited Paloma I (Industrial I) Trustee I Limited Paloma I (Industrial I) Trustee II Limited Paloma I (Industrial II) Trustee I Limited Paloma I (Industrial II) Trustee II Limited Paloma I (Industrial III) Trustee I Limited Paloma I (Industrial III) Trustee II Limited Paloma I (Office I) Trustee I Limited Paloma I (Office I) Trustee II Limited Paloma I (Retail I) Trustee I Limited Paloma I (Retail I) Trustee II Limited St Pancras Way GP Limited St Pancras Way Trustee 1 Limited St Pancras Way Trustee 2 Limited St Pancras Way Unitholder No.2 Limited Vantage Property GP Limited Vantage Property Nominee	Black Office FinCo Limited Black Office (Holdings) Limited Black Office No.1 Limited Black Office No.2 Limited Civitas Social Housing Jersey 1 Limited Civitas Social Housing Jersey 2 Limited Civitas Social Housing Jersey 3 Limited Max Office Investor Limited Max Office Limited Partner Limited Agilitas 2013 Private Equity GP Limited Agilitas 2013 Co-Investment I GP Limited Agilitas 2014 Co-Investment I GP Limited Agilitas 2015 Private Equity GP Limited Agilitas Exemplar 2016 GP Limited Agilitas MH Gruppen 2015 GP Limited Neomed (MLP) Limited Neomed Innovation IV Limited Neomed Innovation V Limited Neomed IV Extension Limited Neomed Management (Jersey) Limited Neomed Management Holding Limited Neomed Management Holding II Limited Neomed V (MLP) Limited



Name	Current	Past
	Limited	
	Welland Property Founder	
	Limited	
	Welland Property GP	
	Limited	
	Welland Property Trustee I	
	Limited	
	Welland Property Trustee	
	II Limited	
	Welland Unitholder No. 2	
	Limited	
	Wessex Winchester Propco	
	Limited	
	Willow Brook Centre	
	Bristol Limited	
	York House Property	
	Founder Limited	
	York House Property	
	Trustee I Limited	
	York House Property	
	Trustee II Limited	
	York House GP Limited	
	York House Unitholder	
	No. 2 Limited	

9.2 None of the Directors have:

9.2.1 any unspent convictions in relation to indictable offences;

9.2.2 been subject to any bankruptcies or individual voluntary arrangements;

9.2.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors, whilst he was a director of that company or within the 12 months after he had ceased to be a director of that company;

9.2.4 been a partner in or member of any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement, whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

9.2.5 been the owner of any asset which has been placed in receivership or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months preceding such events;

9.2.6 been publicly criticised by any statutory or regulatory authorities (including recognised professional bodies); or

9.2.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

9.3 There are no further disclosures to be made in accordance with paragraph (g) of Schedule Two of the AIM rules for Companies.

## 10 Material contracts

10.1 The following contracts (a) have been entered into by the Company since incorporation, not being contracts entered into in the ordinary course of business; or (b) are, or may be, contracts entered into by the Company which are material or contain, or may contain, provisions under which the Company has an obligation or entitlement which is material to the Company at the date of this Document:

## 10.2 Placing Agreement

On 28 June 2018, a placing agreement was entered into between, the Company, the Directors, and the Joint Bookrunners, pursuant to which the Joint Bookrunners have agreed, subject to certain conditions, to act as agents for the Company and to use their reasonable endeavours to procure places to subscribe for the Placing Shares at the Issue Price. The Placing is not being underwritten by the Joint Bookrunners or any other person.

The obligations of the Joint Bookrunners under the Placing Agreement are conditional upon, *inter alia*, Admission occurring on or before 8:00 a.m. on 5 July 2018 (or such later date as the Company and the Joint Bookrunner may agree, being not later than 3:00 p.m. on 16 July 2018), there being no breach of warranties by the Company or the Directors and the Subscription Agreement, Service Agreement, Kazatomprom Contract, Storage Contract and certain other key contracts continuing in full force and effect in accordance with their terms. The Placing Agreement contains warranties from the Company and the Directors in favour of the Joint Bookrunners in relation to, *inter alia*, the accuracy of the information in this Document and other matters relating to the Company and its business. In addition, the Company has agreed to indemnify the Joint Bookrunners (subject to certain exceptions) in respect of liabilities they may incur in respect of the Placing. The Joint Bookrunners have the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a breach of the warranties under the Agreement or the occurrence of certain force majeure events including a material reduction in the uranium spot price between the date of the agreement and Admission.

Subject to Admission occurring, the Company shall pay the Joint Bookrunners an amount equal to 3% (split 60/40 in favour of Numis) of the total gross proceeds raised pursuant to the Placing, save for amounts invested by certain named Places in relation to which other fee arrangements apply.

## 10.3 Nomad & Broker Agreement

On 28 June 2018 the Company, the Directors and Numis entered into an agreement pursuant to which Numis has agreed to act as nominated adviser and broker to the Company following Admission as required by the AIM Rules. Numis shall provide, *inter alia*, such independent advice and guidance to the Directors of the Company and the Company as they may require from time to time as to the nature of their responsibilities and obligations to ensure compliance by the Company on a continuing basis with the AIM Rules for Companies. The Company has agreed to pay Numis a retainer fee as well as payment of any disbursements and expenses reasonably incurred by Numis in the course of carrying out its duties as nominated adviser and broker. The agreement is terminable on one month's notice given by either Numis or the Company. The agreement also contains provisions for early termination in certain circumstances and an indemnity given by the Company to Numis in relation to the provision by Numis of its services under the agreement.

## 10.4 Berenberg Broker Agreement

On 28 June 2018, Berenberg and the Company entered into a broker engagement letter pursuant to which Berenberg are appointed to act as joint broker to the Company to provide corporate broking services. The Company has agreed to pay Berenberg a retainer fee. The engagement shall remain in force indefinitely but may be terminated with or without cause at any time with 30 days prior notice by either party. The engagement may also be terminated with immediate effect by either party for regulatory reasons. In the letter, an indemnity is given by the Company to Berenberg in relation to the provision by Berenberg of its services under the agreement.

## 10.5 Bacchus Capital – IPO Services Agreement and Finder's Fee Agreement

On 1 June 2018, the Company entered into a services agreement with Bacchus Capital, pursuant to which Bacchus Capital is engaged to provide advisory services to the Company in relation to Admission. As consideration for the provision of such services, the Company has agreed to pay Bacchus Capital the following fees promptly on Admission:

- (i) a monthly retainer fee of US\$50,000 for the period beginning with 15 March 2017 and ending with Admission;
- (ii) a success fee equal to 1% of the gross proceeds of the Placing and the Subscription;

- (iii) an additional US\$150,000 fee for negotiations and discussions with potential investors; and
- (iv) an introduction fee of US\$10,000 for each of the five Directors introduced to the Company by Bacchus Capital.

Other than the success fee referred to in paragraph (ii) above, the fees payable to Bacchus Capital under the services agreement shall be satisfied by the issue of Ordinary Shares (at the Issue Price).

In addition, Bacchus Capital has incurred certain costs and expenses on behalf of the Company in relation to the Placing, the Subscription and Admission. The Company shall issue Ordinary Shares to Bacchus Capital at Admission (at the Issue Price) in satisfaction of the receivable owing from the Company to Bacchus Capital.

The Company agrees to indemnify Bacchus Capital and certain other indemnified persons against all claims, liabilities, losses, damages, costs and expenses arising out of, *inter alia*, the provision of services by Bacchus Capital under the services agreement.

The agreement may be terminated on five days' notice by either party provided that the Company may not terminate the agreement during the initial 12 month term of the agreement. In the event of any termination, Bacchus Capital shall nevertheless be entitled to the fees described at (i) to (iv) above if the Company completes (or enters into an agreement which results in) an initial public offering on AIM within 12 months from the date of termination. In addition, if the Company pursues certain material corporate transactions during the term of the agreement or during the 12 month period following the date of its termination, Bacchus Capital has the right, but not the obligation, to act as financial adviser in respect of such transaction and to receive fees based on the prevailing market rate, as determined by the Company and Bacchus Capital in good faith, provided that, in the case of a sale transaction, such fees shall be equal to at least 1% of the transaction value plus any other customary fees.

In addition, on 1 June 2018, the Company entered into a finder's fee agreement with Bacchus Capital, pursuant to which the Company has agreed to pay Bacchus Capital a fee of either 3% or 1% in respect of the gross proceeds raised from certain named Placees. Such fees are payable within ten business days' of receipt of funds by the Company.

#### 10.6 Subscription Agreement

On 7 June 2018, the Company entered into the Subscription Agreement with URC, which was amended on 28 June 2018. In addition to the strategic cooperation undertakings described at paragraph 2.2(c) of Part I of this Document, the Subscription Agreement contains the following terms:

##### *Subscription*

Pursuant to the Subscription Agreement, URC have agreed to subscribe for 7,600,000 Ordinary Shares for an aggregate subscription amount of US\$20 million, conditional, *inter alia*, on (i) Admission taking place not later than 31 July 2018; (ii) the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated on or before Admission or having been amended in any way which is materially adverse or could materially adversely affect URC's rights under the Subscription Agreement; (iii) the Company raising at least US\$150 million pursuant to the Placing and Subscription; and (iv) the Kazatomprom Contract remaining in force without amendment or modification. The Subscription Agreement contains certain warranties by the Company which are substantially similar to those in the Placing Agreement.

##### *Uranium purchase option*

Under the Subscription Agreement, conditional upon the subscription for the URC Subscription Shares, the Company has granted URC an irrevocable option to acquire between US\$2.5 million and US\$10 million of U<sub>3</sub>O<sub>8</sub> per year (or, if lower, the headroom remaining), up to a maximum aggregate amount over the Option Term of US\$31.25 million (the "**URC Uranium Option**"). The term of the URC Uranium Option shall be for a period of nine calendar years commencing on 1 January 2019 (the "**Option Term**"). If the URC Uranium Option is exercised, the Company will exercise its rights under the Kazatomprom Contract to acquire the relevant quantity of U<sub>3</sub>O<sub>8</sub> from Kazatomprom and sell such quantity of U<sub>3</sub>O<sub>8</sub> to URC at the same price at which it bought the U<sub>3</sub>O<sub>8</sub> under the Kazatomprom Contract.

Yellow Cake must retain sufficient availability under the Kazatomprom Contract to meet its obligations under the URC Uranium Option. If Yellow Cake is unable for any reason to purchase U<sub>3</sub>O<sub>8</sub> from Kazatomprom under the Kazatomprom Contract following an exercise of the URC Uranium Option, it must satisfy the URC Uranium Option either by acquiring U<sub>3</sub>O<sub>8</sub> at the spot rate on the market and selling it on to URC at the same price or by selling U<sub>3</sub>O<sub>8</sub> from its own holdings, with URC paying Yellow Cake the spot rate at the time of such transfer.

#### *Director appointment*

If at any time URC holds at least 10% of the outstanding voting rights in the Company, it is entitled to appoint one non-executive Director to the Board, who is not required to submit himself for re-election. URC will pay the fees and expenses of such Director. URC may also appoint a board observer to attend meetings of the Board and speak (but not vote) if their Director cannot be present or is not appointed. URC has not exercised these rights as of the date of this Document. The URC Director will not vote at a Board meeting on any matter where there is a potential conflict of interest between URC and the Company.

#### *Relationship agreement*

URC has agreed that if it and its concert parties hold 15% or more of the voting rights in the Company, it will enter into a relationship agreement with the Company on the terms specified in LR 6.5.4 of the Listing Rules of the UKLA.

#### *Commitment fee*

The Company has agreed to pay URC a commitment fee of US\$750,000, which equates to 3.75% of the gross proceeds of the subscription for the URC Subscription Shares and will be set off against the amounts due to be paid by URC pursuant to the Subscription. No other fee is payable by the Company to any other person in respect of the gross proceeds raised pursuant to the subscription for the URC Subscription Shares.

The Subscription Agreement is governed by English law.

### 10.7 Lock-In Arrangements

Under the Placing Agreement, the Directors have undertaken (subject to certain limited exceptions including transfers to family members or to trustees for their benefit and disposals by way of acceptance of a recommended takeover offer for the entire issued share capital of the Company), not to dispose of the Ordinary Shares held by each of them following Admission or any other securities in exchange for or convertible into, or substantially similar to, Ordinary Shares (or any interest in them or in respect of them) at any time prior to the 12 month anniversary of Admission (the “**Director Lock-in Period**”).

Furthermore, each of the Directors have also undertaken to the Company and the Joint Bookrunners not to dispose of their Ordinary Shares for a further 12 months following the expiry of the Director Lock-in Period otherwise than through the Joint Bookrunners or other agreed broker for such time as they shall remain brokers to the Company and in such manner as they may determine with a view to maintaining an orderly market in the Ordinary Shares, provided that the terms relating to commissions and executions being offered by the relevant Joint Bookrunner (as the case may be) being on customary international market standard terms for institutions comparable to such Joint Bookrunner.

### 10.8 Services Agreement

#### *Scope of Work*

On 30 May 2018, the Company entered into a services agreement with 308 Services, which was amended pursuant to a side letter between the same dated 12 June 2018. Under the terms of the Services Agreement, 308 Services shall provide the following services:

- (i) to use commercially reasonable efforts to recommend, and if so determined by the Company, arrange and carry out, on behalf of the Company, purchases and sales of U<sub>3</sub>O<sub>8</sub>:
  - (1) from and to Kazatomprom pursuant to the terms of the Kazatomprom Contract; and
  - (2) through industry-standard tenders or otherwise at the best prices available to the Company,

in each case as may be requested by the Board from time to time;

- (ii) to recommend, and if so determined by the Company, arrange for the storage of the  $U_3O_8$  owned by the Company at one or several licensed uranium conversion facilities in accordance with best industry practices;
- (iii) to recommend to the CEO and the CFO of the Company regarding appropriate timing and terms for the purchase and sale of  $U_3O_8$ ; and
- (iv) to assist with managing the relationships of the Company with its suppliers.

#### *Fee Structure*

In consideration for the services rendered to the Company by 308 Services, the Company shall pay:

- (i) **Initial Purchase Commission:** a commission of 1% of the consideration paid by the Company for the first purchase of  $U_3O_8$  under the Kazatomprom Contract upon Admission;
- (ii) **Purchase Commission:** a commission of 0.5% of the consideration paid or received by the Company or any of its subsidiaries as part of any subsequent purchases or sales of  $U_3O_8$  completed at the request of the Board. No commission shall be payable by the Company in relation to any purchase of  $U_3O_8$  by Kazatomprom through the exercise of its repurchase option under the Kazatomprom Contract (see paragraph 10.9 of this Part IV);
- (iii) **Fixed Fee:** a fee of US\$275,000 per calendar year;
- (iv) **Additional Commission:**
  - (1) a commission of 0.5% of the consideration paid for any subsequent purchases of  $U_3O_8$  by the Company at the request of the Board if the purchase price is within the lowest quartile of reported spot prices over the calendar year, or
  - (2) a commission of 0.25% of the consideration paid for any subsequent purchases of  $U_3O_8$  by the Company at the request of the Board if the purchase price is within the lowest half of reported spot prices over the calendar year, or
  - (3) a commission of 0.5% of the consideration received for any sales of  $U_3O_8$  by the Company at the request of the Board if the sale price is within the highest quartile of reported spot prices over the calendar year, or
  - (4) a commission of 0.25% of the consideration received for any sales of  $U_3O_8$  by the Company at the request of the Board if the sale price is within the highest half of reported spot prices over the calendar year.
- (v) **Variable Fee:** a fee equal to 0.275% per annum of the amount by which the value of the Company's holdings of  $U_3O_8$  exceeds US\$100 million.
- (vi) **Discretionary Commission:** at the sole discretion of the Board, in the event that no Additional Commission is payable in relation to any subsequent purchase or sale of  $U_3O_8$  completed at the request of the Board but the Board nonetheless determines that 308 Services has provided additional value through the provision of the Services which the Board believes (in its sole discretion) merits the payment of additional commission; and
- (vii) **Annual Storage Incentive Fee:** a fee equal to 33% of the difference between:
  - (1) the amount obtained by multiplying the Target Storage Cost (initially set at US\$0.12 per pound per year) by the volume of  $U_3O_8$  (in pounds) owned by the Company on 31 December of each respective year, pro-rated for partial years; and
  - (2) the total Converter storage fees paid by the Company in the preceding calendar year,

subject always to such difference being a positive number. The Target Storage Cost is set until 31 December 2020, and is thereafter subject to annual review (with the first review on 1 January 2021) by the parties based on their reasonable assessment of the market rate for storage at the time of such review.



No Purchase Commission or Additional Commission shall be payable by the Company to 308 Services in relation to the purchase and subsequent sale of any U<sub>3</sub>O<sub>8</sub> pursuant to the URC Uranium Option and no such purchase or sale shall be taken into consideration for the purposes of determining the Discretionary Commission.

#### *Term and Termination*

The Services Agreement shall continue in force until the 10th anniversary of Admission, unless automatically renewed or terminated prior to that date. The Services Agreement shall automatically renew for additional ten year periods. Either party may terminate for convenience on one year's notice.

If the Agreement is terminated by the Company for convenience within the first five years, the Company will pay 308 Services a termination fee equivalent to 100% of the Fixed Fee and the Variable Fee (calculated with reference to the Company's holdings of U<sub>3</sub>O<sub>8</sub> at the date of termination) payable during the remainder of that first five year period.

In the event that a third party acquires control of the Company (at any time during the term of the Services Agreement), then (unless 308 Services agrees otherwise) the Services Agreement will automatically terminate and a termination fee will be paid to 308 Services equivalent to 100% of the Fixed Fee and the Variable Fee (calculated with reference to the Company's holdings of U<sub>3</sub>O<sub>8</sub> at the date of change of control) payable during the shorter of (a) five years following the change of control and (b) the remaining term of the Agreement.

In the event that the Agreement is terminated for convenience by the Company after the initial five years but there is a change of control within six months thereafter, then a termination fee will be payable to 308 Services as if the Agreement had not been terminated prior to the change of control.

In each of the above scenarios, 308 Services will, in addition, earn a commission of 1% of any purchases made under the Kazatomprom Contract for the remaining duration of the Kazatomprom Contract;

If there has been a change of control of the Company, and 308 Services and the Company have agreed that the Services Agreement will not terminate as a result, in the event that 308 Services has recommended purchases of U<sub>3</sub>O<sub>8</sub> in good faith more than once in a 12 month period and the Company has declined to make such purchases, or where the value of the Company's holdings of U<sub>3</sub>O<sub>8</sub> ceases to be in excess of US\$100 million for a consecutive period of 12 months, then (unless 308 Services agrees otherwise), the Company will be deemed to have terminated the Services Agreement for convenience and a termination fee may be payable, depending on how much time has elapsed since the date of the Services Agreement.

#### 10.9 Kazatomprom Contract

Pursuant to the terms of the Kazatomprom Contract, Kazatomprom and the Company have agreed as follows:

##### *Supply of Initial KAP Quantity*

The Company will pay the consideration for the Initial KAP Quantity, being US\$170,000,000, into an escrow account pursuant to an escrow agreement between the Company, Kazatomprom and Citibank, N.A., London Branch dated 27 June 2018 on the date of Admission. The funds will be released from escrow to Kazatomprom only once delivery of the U<sub>3</sub>O<sub>8</sub> to the Company has occurred by means of a book transfer at Cameco's Port Hope/Blind River facility on the date of Admission. After three years, Kazatomprom has the right (expiring on 30 June 2027) to repurchase up to 25% of the Initial KAP Quantity (the "**Repurchase Quantity**") provided a minimum spot price of US\$37.50 per lb for U<sub>3</sub>O<sub>8</sub> has been attained for 14 consecutive days (and Kazatomprom has 60 days after that condition is first met to exercise such option – otherwise it lapses). Kazatomprom will pay a price equal to the spot price less a discount equal to 1.5 times the adjustment to the spot price applied when the Initial KAP Quantity was supplied.

##### *Supply of Additional Quantities*

The Company has the right, but no obligation, to purchase up to a further US\$100 million of U<sub>3</sub>O<sub>8</sub> per year from Kazatomprom in each calendar year between 2019 and 2027 at the spot price. The Company also has the right to buy back from Kazatomprom any Repurchase Quantity which has been purchased by Kazatomprom at the spot price. Under the terms of the



Kazatomprom Supply Agreement, the spot price is set (using market indicators) two weeks prior to any fundraise that the Company will undertake to fund such acquisition, enabling the Company to purchase the U<sub>3</sub>O<sub>8</sub> at an undisturbed price. The price will be paid after delivery and each delivery will take place by book transfer at one of the Conversion Facilities (at the election of the Company).

#### *Price Adjustment Mechanism*

There is a price adjustment mechanism in the Kazatomprom Contract which entitles the Company to seek quotes from three third party uranium brokers if it does not consider that the method for pricing is providing the correct spot price. Kazatomprom then has the option to match the average price such brokers offer as the spot price to be used or, if it chooses not to, the Company can buy from or sell at that price to the relevant broker(s) in place of Kazatomprom.

#### *Termination Rights, Force Majeure and Certain Undertakings*

Either party may terminate the Kazatomprom Contract if the other party commits a material breach which is not remedied within 30 days of notice being given to rectify the breach or with immediate effect upon an insolvency event (such as being unable to pay debts as they fall due, a petition or meeting for winding up, a liquidation or the appointment of an administrator or administrative receiver) occurring in relation to the other party. A party's obligations shall be deemed to be suspended for so long as a force majeure event delays or prevents their execution. If the force majeure event cannot be resolved within three months, the other party may either terminate the relevant obligation or withdraw the relevant purchase notice.

Each party undertakes to the other that it shall (and shall procure that its affiliates shall) conduct its businesses in compliance with applicable anti-corruption laws and sanctions and will maintain policies and procedures designed to promote and achieve compliance with such applicable anti-corruption laws and sanctions.

The Kazatomprom Contract is governed by English law and is subject to arbitration in London by three arbitrators under the LCIA Rules if the parties cannot resolve a dispute within 90 days.

### 10.10 Storage Contract

Pursuant to the terms of the Storage Contract, Cameco and the Company have agreed as follows:

The Storage Contract provides for the establishment of a storage account at Cameco's facilities at Blind River and Port Hope, Ontario. Under the agreement, the Company pays an annual fee to Cameco for the storage of U<sub>3</sub>O<sub>8</sub>, plus an additional amount upon a transfer in or out of the account. Fees have been agreed for the first five calendar years. Either party can terminate the agreement for convenience on 180 days' notice, with the earliest date such notice may be given being 30 June 2022 or, if earlier, the date falling on or after 1 May 2019 when no U<sub>3</sub>O<sub>8</sub> is in storage. Otherwise, a party can terminate if there is a failure to pay or remedy any other material breach for 30 days or if the other party undergoes an insolvency event or is subject to expropriation or confiscation of all or a substantial part of its property or assets. Transfers must be by book transfer at Cameco's facilities, unless the contract is terminated under certain circumstances (including for convenience by Cameco), in which case the Company may remove its U<sub>3</sub>O<sub>8</sub>. A party can seek suspension of obligations upon a force majeure event.

Under the Agreement, Cameco has agreed to provide certain indemnities to the Company while the U<sub>3</sub>O<sub>8</sub> is held in the storage account. Cameco is also liable for the full value of the U<sub>3</sub>O<sub>8</sub> held in the storage account if there is any loss or damage to the U<sub>3</sub>O<sub>8</sub> while it is held in the account.

The agreement is governed by the laws of the Province of Ontario and the laws of Canada and is subject to arbitration in Toronto, Ontario in accordance with the Arbitration Act, 1991 (Ontario) before a single arbitrator (any disputes which aren't subject to arbitration are subject to the exclusive jurisdiction of the Ontario courts).

## **11 Employees**

The Company has no employees other than Andre Liebenberg. Carole Whittall's services are provided through a service contract with MSL. The Company believes that it does not require additional employees or contractors beyond 308 Services in order to conduct its business plan as herein contemplated.

## **12 Related party transactions**

12.1 The Company is party to the following related party transactions:

12.1.1 the arrangements relating to its Directors, further details of which are set out at paragraphs 7 and 8 of this Part IV;

12.1.2 its arrangements with Bacchus Capital, further details of which are set out at paragraph 10.5 of this Part IV; and

12.1.3 the Services Agreement, further details of which are set out at paragraph 10.8 of this Part IV. Bacchus Capital will control approximately 69% of the shares in 308 Services upon Admission.

## **13 Working capital**

The Directors are of the opinion, having made due and careful enquiry, that, taking into account the net proceeds of the Placing and the Subscription, the Company has sufficient working capital for its present requirements, that is for at least 12 months from the date of Admission.

## **14 Litigation**

There are no and have been no governmental, legal or arbitration proceedings (including any which are pending or threatened of which the Company is aware) which may have or have had in the 12 months preceding the date of this Document a significant effect on the Company's financial position or profitability.

## **15 Property**

The Company does not own any existing or planned material tangible fixed assets, including leased properties, or any major encumbrances thereon.

## **16 Significant change**

Save as disclosed in paragraph 10 of this Part IV, there has been no significant change in the financial or trading position of the Company since 18 January 2018, being the date of incorporation of the Company.

## **17 United Kingdom Taxation**

The Directors intend to conduct the affairs of the Company so that it does not become resident in the UK for UK tax purposes and does not become subject to UK tax on its profits as a result of carrying on a trade in the UK. On that basis, the Company is not expected to be subject to UK corporation tax or income tax, other than in respect of certain types of UK-source income, which may be received subject to deduction of income tax at source.

The Directors do not consider the Company to be an 'offshore fund' for UK tax purposes with respect to the Ordinary Shares. If the Company were to be treated as an 'offshore fund' for UK tax purposes, gains on disposals of Ordinary Shares may be taxable to Shareholders as income, not capital gains. The statements below assume that the Company is not an 'offshore fund'.

The following summary, which is intended as a general guide only, outlines certain aspects of current UK tax legislation, and what is understood to be the current practice of HMRC in the United Kingdom regarding the ownership and disposal of Ordinary Shares. This summary is not a complete and exhaustive analysis of all the potential UK tax consequences for holders of Ordinary Shares. It addresses certain limited aspects of the UK taxation position of UK resident, ordinarily resident and domiciled Shareholders who are absolute beneficial owners of their Ordinary Shares and who hold their Ordinary Shares as an investment. This summary does not address the position of certain classes of Shareholders who (together with associates) have a 10% or greater interest in the Company, or such as dealers in securities, market

makers, brokers, intermediaries, collective investment schemes, pension funds or UK insurance companies or whose shares are held under a personal equity plan or an individual savings account or are “employment related securities” as defined in Section 421B of the Income Tax (Earnings and Pensions) Act 2003.

**Any person who is in any doubt as to his tax position or who is subject to taxation in a jurisdiction other than the UK should consult his professional advisers immediately as to the taxation consequences of their purchase, ownership and disposition of Ordinary Shares.**

This summary is based on current United Kingdom tax legislation. Shareholders should be aware that future legislative, administrative and judicial changes could affect the taxation consequences described below:

## **The Company**

### 17.1 Taxation of Dividends

#### 17.1.1 UK resident individuals

Individual UK resident shareholders have the benefit of an annual dividend allowance. From 6 April 2018 the annual dividend allowance is £2,000 per annum. Dividends falling within this allowance will effectively be taxed at the rate of 0%.

If an individual receives dividends in excess of this allowance, the excess will be taxed at the dividend ordinary rate of 7.5% for basic rate taxpayers, at the dividend higher rate of 32.5% for higher rate taxpayers, and at the dividend additional rate of 38.1% for additional rate taxpayers.

#### 17.1.2 UK discretionary trusts

Trustees of discretionary trusts liable to account for income tax on the income of the trust will be liable to pay tax on dividends received at the rate of, up to 38.1%

UK discretionary trusts do not benefit from the annual dividend allowance available to UK resident individuals.

#### 17.1.3 UK resident companies

A UK resident corporate Shareholder which is a “small” company (for the purpose of United Kingdom taxation of dividends) will be subject to UK corporation tax on dividends paid by the Company on the Shares.

A UK resident corporate Shareholder that is not a “small” company will be liable to UK corporation tax unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009. It is anticipated that dividends should fall within one of such exempt classes (subject to anti-avoidance rules and provided all conditions are met).

If the conditions for exemption are not, or cease to be, satisfied, or such a Shareholder elects for an otherwise exempt dividend to be taxable, the Shareholder will be subject to UK corporation tax on dividends received from the Company at 19% (17% from 1 April 2020).

Shareholders within the charge to UK corporation tax are advised to consult their independent professional tax advisers to determine whether dividends received will be subject to UK corporation tax.

### 17.2 Taxation of chargeable gains

For the purpose of UK tax on chargeable gains, the issue of Ordinary Shares pursuant to an acquisition will be regarded as an acquisition of a new holding in the share capital of the Company.

The Ordinary Shares so allotted will, for the purpose of tax on chargeable gains, be treated as acquired on the date of allotment. The amount paid for the Ordinary Shares will usually constitute the base cost of a shareholder’s holding. If a Shareholder disposes of all or some of his Ordinary Shares a liability to tax on chargeable gains may, depending on their circumstances arise. UK resident individuals and trustees are generally subject to capital gains tax at a current flat rate of 20% (reduced to 10% where a gain falls within an individual’s unused basic rate income tax band).

Gains made by UK resident companies are subject to corporation tax, subject to any exemption or relief.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

### 17.3 UK stamp duty and Stamp Duty Reserve Tax (“SDRT”)

17.3.1 No stamp duty or SDRT will arise on the issue or allotment of Placing Shares, nor on transfers or agreements to transfer Ordinary Shares by virtue of the exemption from 28 April 2014 from stamp duty and SDRT on shares traded on AIM (and not listed on a stock exchange).

17.3.2 The statements in this paragraph apply to any holders of Ordinary Shares irrespective of their residence, summarise the current position and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.

## 18 United States Federal Income Taxation

### 18.1 General

This disclosure is a summary of certain US federal income tax issues relevant to a US Holder (as defined below) acquiring, owning and disposing of the Ordinary Shares. Additional tax issues may exist that are not addressed in this disclosure and that could affect the US federal income tax treatment of acquiring, owning and disposing of the Ordinary Shares.

This discussion does not address US state, local or non-US income tax consequences. The discussion applies only to US Holders who hold Ordinary Shares as capital assets for US federal income tax purposes and it does not address special classes of holders, such as:

- certain financial institutions;
- insurance companies;
- regulated investment companies or real estate investment trusts;
- dealers and traders in securities or currencies;
- persons holding Ordinary Shares as part of a hedge, straddle, conversion or other integrated transaction;
- persons whose functional currency for US federal income tax purposes is not the US dollar;
- partnerships or other entities classified as partnerships for US federal income tax purposes;
- certain taxpayers who file applicable financial statements required to recognize income when the associated revenue is reflected in such financial statements;
- holders that are resident or ordinarily resident in or have a permanent establishment in a jurisdiction outside the United States;
- United States expatriates;
- tax-exempt organizations, qualified retirement plans, individual retirement accounts or other tax-deferred accounts; or
- persons that own or are deemed to own 10% or more of either the total combined voting power or total value of the Company’s stock.

This discussion is based on the US Internal Revenue Code of 1986, as amended (the “**US Tax Code**”), final, temporary and proposed US Treasury regulations promulgated thereunder, administrative pronouncements by the Internal Revenue Service (the “**IRS**”) and judicial decisions, all as currently in effect and all of which are subject to change, possibly with retroactive effect. Prospective investors should consult their own tax advisers concerning the alternative minimum tax or US gift, estate, state, local and non-US tax consequences of purchasing, owning and disposing of Ordinary Shares in their particular circumstances.

As used herein, a “**US Holder**” is a beneficial owner of Ordinary Shares acquired pursuant to this Document that is, for US federal income tax purposes: (i) a citizen or resident of the United States; (ii) a corporation or other entity taxable as a corporation, created or organized in or under the laws of the United States or any political subdivision thereof; (iii) a trust that either (x) is subject to the control of one or more US persons and the primary supervision of

a US court or (y) has an election in effect under current US Treasury regulations to be treated as a US person or (iv) an estate the income of which is subject to US federal income taxation regardless of its source.

The US federal income tax treatment of a partnership (or any entity treated for US federal income tax purposes as a partnership for such purposes), or a partner in such partnership, purchasing, owning and disposing of Ordinary Shares generally will depend on the status of the partner and the activities of the partnership. Such partnerships and the partners and owners in such partnerships should consult their own tax advisers about the US federal income tax consequences to them of the partnership's acquisition, ownership and disposition of Ordinary Shares.

#### 18.2 Passive foreign investment company (“PFIC”) considerations

In general, the Company will be considered a passive foreign investment company (“PFIC”) for any taxable year in which: (i) 75% or more of its gross income consists of passive income; or (ii) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, if the Company, directly or indirectly, owns at least 25% by value of the stock of another corporation, then the Company would be treated as if it held its proportionate share of the assets of such other corporation and received directly its proportionate share of the income of such other corporation. Passive income generally includes dividends, interest, rents, royalties and capital gains. In general, gain from commodities transactions constitutes passive income for this purpose unless the gain is from a “qualified active sale” or “qualified hedging transaction.” A qualified active sale is a sale of commodities in the active conduct of a commodities business as a producer, processor, merchant or handler of commodities if substantially all of a foreign corporation's commodities are stock in trade or inventory, depreciable property used in a trade or business, or supplies regularly used or consumed in the ordinary course of its trade or business. A qualified hedging transaction is limited to *bona fide* hedging with respect to commodities transactions reasonably necessary to the conduct of such a business as a producer, processor, merchant or handler of commodities.

While the application of these rules to the activities the Company expects to conduct is not entirely clear, it is likely that the Company would be viewed as investing in commodities and would not be considered to be engaged in the active conduct of a commodities business as a producer, processor, merchant or handler of commodities. It is therefore likely that the Company will meet the PFIC income and/or asset tests for the current year and in future years.

Under certain attribution rules, if the Company is a PFIC, US Holders will be deemed to own their proportionate share of any of the Company's subsidiaries which is also a PFIC (a “**Lower-tier PFIC**”), and will be subject to US federal income tax on: (i) certain distributions on the shares of a Lower-tier PFIC; and (ii) a disposition of shares of a Lower-tier PFIC, both as if the holder directly held the shares of such Lower-tier PFIC.

If a company is a PFIC for any taxable year during which a US Holder holds (or, is deemed to hold) its shares, such US Holder will be subject to significant adverse US federal income tax rules. Unless a holder makes a timely “QEF Election” or “mark-to-market” election, each as described below, gain recognized upon a disposition (including, under certain circumstances, a pledge) of Ordinary Shares by such US Holder, or upon an indirect disposition of shares of a Lower-tier PFIC, will be allocated ratably over the US Holder's holding period for such shares and will not be treated as capital gain. Instead, the amounts allocated to the taxable year of disposition and to the years before the relevant company became a PFIC, if any, will be taxed as ordinary income. The amount allocated to each PFIC taxable year will be subject to tax at the highest rate in effect for such taxable year for individuals or corporations, as appropriate, and an interest charge (at the rate generally applicable to underpayments of tax due in such year) will be imposed on the tax attributable to such allocated amounts. A US Holder that is not a corporation must treat any such interest paid as “personal interest,” which is not deductible. Any loss recognized will be capital loss, the deductibility of which is subject to limitations.

Further, to the extent that any distribution received by a US Holder on its Ordinary Shares (or a distribution by a Lower-tier PFIC to its shareholder that is deemed to be received by a US Holder) exceeds 125% of the average of the annual distributions on such shares received during the preceding three years or the US Holder's holding period, whichever is shorter, such



excess distribution will be subject to taxation as described above. To the extent a distribution on the Ordinary Shares does not constitute an excess distribution to a US Holder, such US Holder generally will be required to include the amount of such distribution in gross income as a dividend to the extent paid out of the Company's current or accumulated earnings and profits (as determined for US federal income tax purposes) that are not allocated to excess distributions and will be included in a US Holder's gross income as ordinary income on the date actually or constructively received. Any such dividend shall be foreign source dividend income for foreign tax credit limitation purposes. Distributions in excess of such earnings and profits will be applied against and will reduce the US Holder's tax basis in the Ordinary Shares and, to the extent in excess of such basis, will be treated as gain from the sale or exchange of Ordinary Shares (which gain should be treated as an excess distribution and be subject to tax consequences relating to an excess distribution described above).

Corporate US Holders will not be entitled to claim the dividends-received deduction with respect to dividends paid by the Company. Dividends received by qualifying non-corporate US Holders will not be eligible for the preferential tax rate generally applicable to qualified dividend income received by individuals and certain other non-corporate US Holders.

### 18.3 Qualified Electing Fund Election (“**QEF Election**”)

A US Holder may be able to make timely elections to treat the Company and any Lower-tier PFICs controlled by the Company as qualified electing funds (“**QEFs**”) to avoid the foregoing rules with respect to excess distributions and dispositions.

If a US Holder makes a QEF Election, the US Holder would be currently taxable on its *pro rata* share of the Company's ordinary earnings and net capital gain (at ordinary income and capital gains rates, respectively) for each taxable year for which the Company is classified as a PFIC, regardless of whether the US Holder received any dividend distributions from the Company. To the extent of such income inclusions, the US Holder would not be required to include in income any subsequent dividend distributions received from the Company. For purposes of determining a gain or loss on the disposition (including redemption or retirement) of Ordinary Shares, the US Holder's initial tax basis in the Ordinary Shares would be increased by the amount included in gross income as a result of a QEF Election and decreased by the amount of any non-taxable distributions on the Ordinary Shares. In general, a US Holder making a timely QEF Election will recognize, on the sale or disposition (including redemption and retirement) of Ordinary Shares, capital gain or loss equal to the difference, if any, between the amount realized upon such sale or disposition and that US Holder's adjusted tax basis in those Ordinary Shares. Such gain will be long-term if the US Holder has held the Ordinary Shares for more than one year on the date of disposition. Similar rules will apply to any Lower-tier PFICs for which QEF Elections are timely made. Certain distributions on, and gain from dispositions of, equity interests in Lower-tier PFICs for which no QEF Election is made will be subject to the general PFIC rules described above.

Each US Holder who desires to make QEF Elections must individually make QEF Elections with respect to each entity. Each QEF Election is effective for the US Holder's taxable year for which it is made and all subsequent taxable years and may not be revoked without the consent of the IRS. In general, a US Holder must make a QEF Election on or before the due date for filing its income tax return for the first year to which the QEF Election is to apply. If a US Holder makes a QEF Election in a year following the first taxable year during such US Holder's holding period in which a company is classified as a PFIC, the general PFIC rules described above will continue to apply unless the US Holder elects to recognize gain as if the US Holder has sold shares in the Company or Lower-tier PFIC for their fair market value on the first day of the US Holder's taxable year for which the US Holder makes the QEF Election with respect to the Company or Lower-tier PFIC. Any gain recognized on this deemed sale would be subject to the general PFIC rules described above.

In order to comply with the requirements of a QEF Election, a US Holder must receive certain information from the Company. The Company expects to comply with all reporting requirements necessary for US Holders to make QEF Elections with respect to the Company and any Lower-tier PFICs which it controls. Specifically, the Company will use reasonable endeavors to provide, as promptly as practicable following the end of each taxable year the information necessary for such elections to registered holders of Ordinary Shares upon request. US Holders should consult their own tax advisers as to the advisability of, consequences of, and procedures for making, a QEF Election.



The rules dealing with PFICs, QEF Elections, deemed sale elections and mark-to-market elections are complex and affected by various factors in addition to those described above. As a result, US Holders should consult their own tax advisers concerning the Company's PFIC status and the tax considerations relevant to an investment in a PFIC including the availability of and the merits of making QEF Elections (including the timing thereof), deemed sale elections, or mark-to-market elections.

#### 18.4 Mark-to-Market Election

Alternatively, a US Holder may be able to make a mark-to-market election with respect to the Ordinary Shares (but not with respect to the shares of any Lower-tier PFICs) if the Ordinary Shares are "regularly traded" on a "qualified exchange". In general, the Ordinary Shares will be treated as "regularly traded" in any calendar year in which more than a *de minimis* quantity of Ordinary Shares are traded on a qualified exchange on at least 15 days during each calendar quarter. A qualified exchange includes a non-US securities exchange that is regulated or supervised by a governmental authority of the country in which the securities exchange is located and meets certain trading, listing, financial disclosure and other requirements set forth in US Treasury regulations. The Company believes the London Stock Exchange (and AIM) is a qualified exchange. However, the Company can make no assurance that the Ordinary Shares will be listed on a "qualified exchange" or that there will be sufficient trading activity for the Ordinary Shares to be treated as "regularly traded". Accordingly, US Holders should consult their own tax advisers as to whether the Ordinary Shares would qualify for the mark-to-market election.

If a US Holder makes the mark-to-market election, for each year in which the Company is a PFIC, the holder will generally include as ordinary income the excess, if any, of the fair market value of their Ordinary Shares at the end of the taxable year over such holder's adjusted tax basis in the Ordinary Shares, and will be permitted an ordinary loss in respect of the excess, if any, of such holder's adjusted tax basis in their Ordinary Shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). If a US Holder makes the election, the holder's tax basis in the Ordinary Shares will be adjusted to reflect any such income or loss amounts. Any gain recognized on the sale or other disposition of Ordinary Shares will be treated as ordinary income.

A mark-to-market election applies to the taxable year in which the election is made and to each subsequent year, unless the Ordinary Shares cease to be marketable (as described above) or the IRS consents to the revocation of the election. If a mark-to-market election is not made for the first year in which a US Holder owns Ordinary Shares and the Company is a PFIC, the interest charge described in Section 18.2 above will apply to any mark-to-market gain recognized in the later year that the election is first made.

A mark-to-market election under the PFIC rules with respect to the Ordinary Shares would not apply to a Lower-tier PFIC, and a US Holder would not be able to make such a mark-to-market election in respect of its indirect ownership interest in any Lower-tier PFIC. Consequently, US Holders of Ordinary Shares could be subject to the PFIC rules with respect to income of any Lower-tier PFIC.

US Holders should consult their own tax advisers regarding the availability and advisability of making a mark-to-market election in their particular circumstances.

#### 18.5 Additional Consequences of Being a PFIC

The IRS has issued proposed US Treasury regulations that, subject to certain exceptions, would cause a US Holder that had not made a timely QEF Election to recognize gain (but not loss) upon certain transfers of Ordinary Shares that would otherwise be tax-deferred (e.g. exchanges pursuant to corporate reorganizations). However, the specific US federal income tax consequences to a US Holder may vary based on the manner in which Ordinary Shares are transferred.

Certain additional adverse rules will apply with respect to a US Holder if the Company is a PFIC, regardless of whether such US Holder makes a QEF Election. For example under Section 1298(b)(6) of the US Tax Code, a US Holder that uses Ordinary Shares as security for a loan will, except as may be provided in US Treasury regulations, be treated as having made a taxable disposition of such Ordinary Shares.

Special rules also apply to the amount of foreign tax credit that a US Holder may claim on a distribution from a PFIC. Subject to such special rules, foreign taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. The rules relating to distributions by a PFIC and their eligibility for the foreign tax credit are complicated, and a US Holder should consult with its own tax advisor regarding the availability of the foreign tax credit with respect to distributions by a PFIC.

If the Company is a PFIC for any taxable year during which a US Holder holds Ordinary Shares, the Company will continue to be treated as a PFIC with respect to the US Holder for all succeeding years during which the US Holder holds Ordinary Shares, regardless of whether the Company actually continues to be a PFIC. The US Holder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the adverse tax rules discussed in Section 18.2, above) as if the US Holder's Ordinary Shares had been sold on the last day of the last taxable year for which the Company was a PFIC.

The PFIC rules are complex, and each US Holder should consult its own tax advisor regarding the PFIC rules (including the applicability and advisability of a QEF Election and Mark-to-Market Election) and how the PFIC rules may affect the US federal income tax consequences of the acquisition, ownership, and disposition of Ordinary Shares.

#### 18.6 Receipt of Foreign Currency

If a distribution is paid in foreign currency, the amount of the distribution a US Holder will be required to include in income will equal the US dollar value of the foreign currency, calculated by reference to the exchange rate in effect on the date the payment is actually or constructively received by the US Holder, regardless of whether the payment is converted into US dollars on the date of receipt. If the dividend is converted into US dollars on the date of receipt, the US Holder generally should not be required to recognize foreign currency gain or loss in respect of the dividend income. If the foreign currency so received is not converted into US dollars on the date of receipt, such US Holder will have a basis in the foreign currency equal to its US dollar value on the date of receipt. Any gain or loss realized by a US Holder on a sale or other disposition of foreign currency will be US source ordinary income or loss.

A US Holder that receives non-US currency on the disposition of Ordinary Shares will realize an amount equal to the US dollar value of the currency received at the spot rate on the date of sale (or, if the Ordinary Shares are traded on an established securities market, in the case of cash basis and electing accrual basis US Holders, the settlement date). A US Holder will recognize foreign currency gain or loss to the extent the US dollar value of the amount received at the spot exchange rate on the settlement date differs from the amount realized. A US Holder will have a tax basis in the currency received equal to the US dollar value of the currency received on the settlement date. Any gain or loss on a subsequent conversion or other disposition of the currency will be US source ordinary income or loss.

The US federal income taxation of the sale, exchange or other disposition of shares of a PFIC is extremely complex involving, among other things, significant issues as to the sourcing of any gain or loss realized on such sale, exchange or other disposition and any non-US currency that a US Holder receives upon such sale, exchange or disposition. Each US Holder should consult its own tax adviser with respect to the appropriate US federal income tax treatment of any sale, exchange or other disposition of the Ordinary Shares.

#### 18.7 Medicare Tax on Net Investment Income

Section 1411 of the Tax Code imposes a 3.8% tax on the net investment income of US Holders who are individuals, estates or trusts to the extent net investment income exceeds an income threshold. Net investment income generally will include all income from the Ordinary Shares.

Special rules apply in the case of a US Holder of Ordinary Shares that are not held in a business of trading financial instruments. As described above such a US Holder may be taxable for regular federal income tax purposes under the PFIC rules on its share of the earnings of the Issuer as those earnings accrue to the Issuer and not when they are distributed (and in that case, such US Holder's basis in such Ordinary Shares is increased by the amount of earnings that have been taxed to such US Holder but not distributed). Pursuant to regulations, a US Holder may elect to follow a similar approach in measuring net investment income. Otherwise, earnings that are included in income for regular income tax purposes by such a US Holder prior to distribution under the PFIC rules for QEFs generally would be

included in net investment income only when distributed and the US holder's basis would not be increased to reflect previously taxed undistributed earnings. The election by a US Holder generally must be made for the first year in which the US Holder has income from the undistributed earnings of equity interests in the QEF and is or would be subject to the tax on net investment income. The election once made would be effective with respect to all interests in PFICs for which a QEF Election has been made and irrevocable and would apply to the taxable year for which it is made and all subsequent taxable years, as well as to all subsequently acquired equity interests in such PFICs (including if the investor exits its interests and later reinvests).

US Holders are urged to consult their tax advisors regarding the effect, if any, of Section 1411 and regulations thereunder on their investment in the Ordinary Shares in their particular circumstances.

#### 18.8 Information reporting and backup withholding

Under US federal income tax laws, certain categories of US Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation (including IRS Form 926). Penalties for failure to file certain of these information returns are severe. For any year in which the Company is a PFIC, each US Holder will be required to file an information statement regarding such US Holder's ownership interest in the Company currently on Form 8621, with respect to each PFIC in which it owns an interest directly or, in some cases, indirectly (including through certain pass-through entities). US Holders of Ordinary Shares should consult with their own tax advisers regarding the requirements of filing information returns and QEF and mark-to-market elections.

Furthermore, certain US Holders "that own "specified foreign financial assets" with an aggregate value in excess of USD 50,000 generally are required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-US financial institution, as well as securities issued by a non-US issuer that are not held in accounts maintained by financial institutions. Investors who are required to report specified foreign financial assets and fail to do so may be subject to substantial penalties. Potential investors are urged to consult with their own tax advisers about information reporting requirements that may be applicable to their investment in the Ordinary Shares.

Any person that is required to file a US federal income tax return or US federal information return and participates in a "reportable transaction" in a taxable year is required to disclose certain information on IRS Form 8886 (or its successor form) attached to such person's US tax return for such taxable year (and also file a copy of such form with the IRS's Office of Tax Shelter Analysis) and to retain certain documents related to the transaction. A person that is a holder of Ordinary Shares of the Issuer may be considered to participate in any reportable transactions entered into by the Issuer. Because of the status of the Issuer as a PFIC, a transaction in which a person claims a loss deduction in respect of the Ordinary Shares may be considered a reportable transaction if the amount of such loss exceeds certain thresholds, regardless of whether such Ordinary Shares were purchased with cash or were otherwise held with a "qualifying basis" (as such term is defined in IRS Revenue Procedure 2013-11). There is an exception for certain mark-to-market losses.

Payment of dividends and sales proceeds that are made within the United States or through certain US-related financial intermediaries generally are subject to information reporting and to backup withholding unless the US Holder is a corporation or other exempt recipient or, in the case of backup withholding, the US Holder provides a correct taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred. The amount of any backup withholding from a payment to a US Holder will be allowed as a credit against the holder's US federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS. Prospective investors should consult their tax advisers about qualifying for an exemption from backup withholding.

**THIS SUMMARY IS FOR GENERAL INFORMATION ONLY AND IT IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL ADVICE TO ANY SHAREHOLDER OR PROSPECTIVE INVESTOR. FURTHER, THIS SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL US FEDERAL INCOME TAX CONSEQUENCES RELATING TO US HOLDERS OF THEIR ACQUISITION, OWNERSHIP AND DISPOSITION OF THE ORDINARY SHARES.**

ACCORDINGLY, PROSPECTIVE US HOLDERS OF THE ORDINARY SHARES SHOULD CONSULT THEIR OWN TAX ADVISERS ABOUT THE US FEDERAL, STATE, LOCAL AND NON-US CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE ORDINARY SHARES IN THEIR PARTICULAR CIRCUMSTANCES.

## 19 Jersey Taxation

### 19.1 General notice

The following summary of the anticipated treatment of the Company and (unless they are tax resident in Jersey) Shareholders is based on Jersey tax law and practice as it is understood to apply at the date of this Document. It does not constitute legal or tax advice and does not address all aspects of Jersey tax law and practice. Shareholders should consult their professional advisers on the implications of acquiring, holding, selling or otherwise disposing of Ordinary Shares under the laws of the jurisdictions in which they may be liable to tax. Shareholders should be aware that tax laws and practice and their interpretation may change.

### 19.2 Income tax

Under the Income Tax (Jersey) Law 1961 (the “**Income Tax Law**”), the Company is regarded as tax resident in Jersey but, being neither a financial services company nor a specified utility company under the Income Tax Law at today’s date, it is charged to Jersey income tax at a rate of 0%.

Nevertheless, if the Company derives any income from the ownership, exploitation or disposal of land in Jersey or the trade of importing or supplying hydrocarbon oil to or in Jersey, that income will be charged to Jersey income tax at the rate of 20%. It is not anticipated that the Company will derive any such income.

The Company is not entitled to make any deduction or withholding for or on account of Jersey income tax from any dividend declared on the Ordinary Shares. Unless tax resident in Jersey, Shareholders will not be subject to any tax in Jersey in respect of the acquisition, ownership, exchange, sale or other disposition of Ordinary Shares.

The attention of Jersey resident investors is drawn to Article 134A of the Income Tax Law and other provisions of the Income Tax Law, the effect of which may be to render any gains and distributions in respect of their Ordinary Shares chargeable to Jersey income tax.

### 19.3 Goods and services tax

The Company is an international services entity (“**ISE**”) for the purposes of the Goods and Services Tax (Jersey) Law 2007 (the “**GST Law**”) and, accordingly, it is not required to:

- (a) to register as a taxable person pursuant to the GST Law;
- (b) charge goods and services tax in Jersey in respect of any supply made by it; or
- (c) pay goods and services tax in Jersey in respect of any supply made to it.

An annual fee must be paid for each calendar year for the Company to retain its ISE status.

### 19.4 Stamp duty

No stamp duty is payable in Jersey on the acquisition, ownership, exchange, sale or other disposition of Ordinary Shares except when an Shareholder dies.

Stamp duty of up to 0.75% (subject to a maximum of £100,000) is payable on the registration in Jersey of a grant of probate or letters of administration if:

- (a) the deceased died domiciled in Jersey and the net value of the deceased’s entire estate wherever situated (including any Ordinary Shares) exceeds £10,000; or
- (b) the deceased died domiciled outside of Jersey and the net value of the deceased’s estate situated in Jersey (including any Ordinary Shares) exceeds £10,000.

In addition, application and other fees may be payable.

Jersey does not otherwise levy death or estate duties, capital gains, gift, wealth, inheritance or capital transfer taxes.

## 20 General

- 20.1 Since the Company is a newly incorporated company that has not traded, made any investments or taken on any liabilities, AIM Regulation has provided consent for a derogation from the requirements of section 20.1 of Annex I of Appendix 3 of the Prospectus Rules. Since the date of its incorporation, the Company has not yet commenced operations and has no material assets or liabilities (other than pursuant to the material contracts described in paragraph 10 of this Part IV) and therefore no financial statements have been prepared as at the date of this Document.
- 20.2 Numis has given and not withdrawn its written consent to the inclusion in this Document of its name and the references thereto in the form and context in which they appear.
- 20.3 Berenberg has given and not withdrawn its written consent to the inclusion in this Document of its name and the references thereto in the form and context in which they appear.
- 20.4 Olivetree has given and not withdrawn its written consent to the inclusion in this Document of its name and reports and the references thereto in the form and context in which they appear.
- 20.5 Bacchus Capital has given and not withdrawn its written consent to the inclusion in this Document of its name and reports and the references thereto in the form and context in which they appear.
- 20.6 Scott Harris has given and not withdrawn its written consent to the inclusion in this Document of its name and reports and the references thereto in the form and context in which they appear.
- 20.7 RSM Corporate Finance LLP has given and not withdrawn its written consent to the inclusion in this Document of its name and reports and the references thereto in the form and context in which they appear.
- 20.8 There have been no interruptions in the business of the Company, which may have or have had since incorporation a significant effect on the financial position of the Company or which are likely to have a material effect on the prospects of the Company for the next 12 months.
- 20.9 The Ordinary Shares are in registered form and may be held in certificated or uncertificated form. No temporary Documents of title will be issued. The Ordinary Shares will be issued pursuant to the Jersey Companies Law and their currency is pounds sterling. The ISIN number of the Ordinary Shares is JE00BF50RG45. The Registrar is responsible for maintaining the Company's register of members. No admission to listing or trading of the Ordinary Shares is being sought on any stock exchange other than to AIM.
- 20.10 It is estimated that the total expenses payable by the Company in connection with the Placing, the Subscription and Admission will amount to approximately £6,750,937 (excluding VAT) and the net proceeds of the Placing and the Subscription will be approximately £144,357,553<sup>†</sup>.
- 20.11 The Company does not have any undertakings in which it holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.
- 20.12 The Directors are not aware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.
- 20.13 Save as set out in this Document, the Company is not dependent on patents or licences or industrial, commercial or financial contracts or new manufacturing processes which are material to its business or profitability.
- 20.14 Save as disclosed in this Document, the Company has no principal investments, there are no principal investments in progress and there are no principal future investments on which the Board has made a firm commitment.
- 20.15 The following Ordinary Shares have been issued on Admission to certain individuals and advisers to the Company in lieu of a cash payment for services rendered to, or costs and expenses incurred on behalf of the Company:
- 20.15.1 Dustin Garrow rendered services to the Company during the period from its incorporation to Admission with a value of US\$100,000. On Admission, the Company will issue 37,673 Ordinary Shares to Mr Garrow in satisfaction of amounts due to Mr Garrow in respect of such services.

<sup>†</sup> Subject to adjustment for exchange rate movement. Please see "Important Information" on page vii for further details.



- 20.15.2 Powerscourt rendered public relations services to the Company in relation to the Placing, the Subscription and Admission with a value of US\$20,000. On Admission, the Company will issue 7,534 Ordinary Shares to Powerscourt in satisfaction of amounts due to Powerscourt in respect of such services.
- 20.15.3 As contemplated by the arrangements described at paragraph 10.5 of this Part IV, on Admission, the Company will issue 486,770 Ordinary Shares to Bacchus Capital.
- 20.15.4 In addition, four persons each rendered services to the Company in relation to the Placing, the Subscription and Admission with a value of US\$10,000. On Admission, the Company will issue in aggregate 15,068 Ordinary Shares to such persons in satisfaction of amounts due to them in respect of such services.
- 20.16 The Company has agreed to pay Olivetree a fee of between 0.5% and 2.5% of the gross proceeds raised from certain named Places.
- 20.17 The Company has agreed to pay Scott Harris a fee equal to 1% of the gross proceeds raised from certain named Places.
- 20.18 Save as set out in this Document, no government, regulatory authority or similar body, company or person (other than professional advisers named in this Document and trade suppliers) has received directly or indirectly, from the Company within 12 months prior to the Last Practicable Date or entered into contractual arrangements (not disclosed in this Document) to receive, directly or indirectly, from the Company on or after Admission any of the following: (i) fees of £10,000 or more; (ii) Ordinary Shares of £10,000 or more value (by reference to Issue Price); or (iii) any other benefit with a value of £10,000 or more as at Admission.
- 20.19 Save as set out in this Document, the Company is not aware of any significant recent trends in production, sales and inventory, and costs and selling prices since its date of incorporation (to the Last Practicable Date) and is similarly not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects in its current financial year.
- 20.20 Where information contained in this Document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 20.21 There are no arrangements in existence under which future dividends are to be waived or agreed to be waived.
- 20.22 There have been no public takeover bids by third parties in respect of the Company's equity since the date of its incorporation.
- 20.23 Under the Jersey Companies Law, shareholders are not obliged to disclose their interests in a company in the same way as shareholders of certain public companies incorporated in the United Kingdom are required to do. In particular, Chapter 5 of the Disclosure and Transparency Rules does not apply to Jersey companies whose shares are listed on AIM. However, Article 28 of the Articles, contains provisions which are designed to apply Chapter 5 of the Disclosure and Transparency Rules to the Company for so long as it has a class of shares admitted to AIM.
- 20.24 Pursuant to Chapter 5 of the Disclosure and Transparency Rules, as incorporated by reference into the Articles, a person must notify the Company of the percentage of its voting rights he holds as a shareholder or through his direct or indirect holding of certain financial instruments (or a combination of such holdings) if the percentage of those voting rights: (a) reaches, exceeds or falls below 3%, 4%, 5%, 6%, 7%, 8%, 9%, 10% and each 1% threshold thereafter up to 100% as result of an acquisition or disposal of shares or such financial instruments; or (b) reaches, exceeds or falls below an applicable threshold in (a) as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the Company in accordance with the Disclosure and Transparency Rules. Certain voting rights held by investment managers, unit trusts, OEICS and market makers can be disregarded except at the thresholds of 5% and 10% and above.



## 21 The City Code and Squeeze-Out and Sell-Out Rules

### 21.1 *The City Code*

The Company is not aware of the existence of any takeover bid pursuant to the rules of the City Code, or any circumstances which may give rise to any takeover bid, and the Company is not aware of any public takeover bid by third parties for the Ordinary Shares.

The City Code applies to the Company. Under the City Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of an acquirer and its concert parties to Ordinary Shares carrying 30% or more of the voting rights in the Company, the acquirer and, depending on the circumstance, its concert parties, would be required (except with the consent of the Panel) to make a cash offer for the outstanding Ordinary Shares at a price not less than the highest price paid for the Ordinary Shares in the Company by the acquirer or its concert parties during the previous 12 months. A similar obligation to make such a mandatory offer would also arise on the acquisition of Ordinary Shares by a person holding (together with its concert parties) Ordinary Shares carrying between 30 and 50% of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

### 21.2 *Squeeze-Out and Sell-Out Rules*

Under Part 18 of the Jersey Companies Law, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90% in nominal value of the shares in a Jersey company, it may then compulsorily acquire the outstanding shares not assented to the offer. The offeror would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Jersey Companies Law must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to Part 18 of the Jersey Companies Law, if an offeror acquires or agrees to acquire not less than 90% in nominal value of the shares in a Jersey company, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his/her shares on the same terms as the takeover offer. The offeror would be required to give any holder of shares notice of his/her right to be bought out within one month of that right arising. These sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying him/her of their sell-out rights. If a holder of shares exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

Other than as provided in Part 18 of the Jersey Companies Law and the City Code, there are no rules or provisions relating to mandatory bids and/or squeeze out and sell-out rules in relation to the Ordinary Shares. A takeover of the Company could also be structured by way of a court sanctioned scheme of arrangement under Part 18A of the Jersey Companies Law, or a statutory merger under Part 18B of the Jersey Companies Law.

## 22 Jersey Companies Law

22.1 There are a number of differences between the UK Companies Act 2006 (the “**UK Companies Act**”) and the Jersey Companies Law which may impact upon the rights of holders of Ordinary Shares. However, where it was thought appropriate to confer similar rights on and protections to holders of Ordinary Shares, and where permitted under the Jersey Companies Law, provisions replicating in whole or in part the position under English law have been incorporated into the Articles. A fuller description of the Articles is set out in paragraph 6 of this Part IV.

22.2 Salient differences between the UK Companies Act and the Jersey Companies Law include (without limitation) the following:

- (a) the Jersey Companies Law does not confer statutory pre-emption rights on shareholders relating to new share issues. However, pre-emption rights which are similar to those set out in the UK Companies Act are contained in the Articles;

- (b) the Jersey Companies Law does not impose any requirement for the directors to obtain the approval of the shareholders to issue and allot shares. However, the Articles do impose such requirement on terms similar to the English Law provisions;
- (c) the Jersey Companies Law permits the incorporation of companies with no par value shares;
- (d) the Jersey Companies Law does not require shares in public companies to be paid up to at least one quarter of the nominal value and the whole of any premium paid on such shares;
- (e) the Jersey Companies Law does not contain net asset restrictions on distributions made by public companies;
- (f) the statutory prohibition on issuing shares at a discount to their nominal value has been abolished in the Jersey Companies Law;
- (g) a special resolution is required to be passed by two-thirds of the votes cast by shareholders present (in person or by proxy) at the relevant meeting although this two-thirds threshold can be increased by inclusion of a suitable provision in a company's articles of association. The Articles include a provision increasing this threshold to three-quarters of the votes cast by Shareholders present (in person or by proxy);
- (h) the circumstances in which the Jersey Companies Law permits a Jersey company to indemnify its directors in respect of liabilities incurred by the directors in carrying out their duties are limited, albeit in a slightly different manner to English companies. In particular, there is no express right for a Jersey company to pre-fund a director's defence costs;
- (i) the Jersey Companies Law does not require the directors of a Jersey company to disclose to the company their beneficial ownership of any shares in the company (although they must disclose to the company the nature and extent of any direct or indirect interest in a transaction entered into or proposed to be entered into by the company or by any subsidiary of the company which, to a material extent, conflicts with, or may conflict with, the interests of the company and of which such director is aware). Similarly, the Jersey Companies Law does not grant the directors of a Jersey company a statutory power to request information concerning the beneficial ownership of shares. However, the Articles confer on the Company power to investigate interests in Ordinary Shares;
- (j) under the Jersey Companies Law, shareholders holding not less than one-tenth of the total voting rights of the shareholders of a company who have the right to vote at the meeting requisitioned may requisition a meeting of shareholders;
- (k) contrary to the position under the UK Companies Act where directors must disclose any interest they may have in a contract to be entered into by the company or by a subsidiary of the company, the director of a Jersey company need only make a disclosure where his interest materially conflicts with that of the company and of which such director is aware. However, the Articles restrict the directors' ability to vote or count in the quorum in relation to such contracts or arrangements;
- (l) the Jersey Companies Law does not contain a provision which would require prior shareholder approval of transactions with directors of the company;
- (m) the Jersey Companies Law does not confer power on the shareholders to remove directors from office and any such power has to be expressly provided for in the articles of the Jersey company. The Articles do confer power on the shareholders to remove directors from office;
- (n) under the Jersey Companies Law, at a meeting of shareholders, a poll may be demanded in respect of any question by: (i) not less than five shareholders having the right to vote on the question; or (ii) a shareholder or shareholders representing not less than one-tenth of the total voting rights of all shareholders having the right to vote on the question. The Articles also provide that a poll may be demanded by (i) the chairman of the meeting and (ii) a member or members holding a right to vote on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right;

- (o) there is no requirement under the Jersey Companies Law to post the results of a poll taken at general meetings of a company on the company's website and no power is conferred upon the shareholders to require an independent report on a poll. The Articles do, however, confer a power on members to require the Directors to obtain an independent report on any poll taken;
- (p) there is no requirement under the Jersey Companies Law that annual accounts and reports and preliminary statements of listed companies be posted on a website, nor is there a requirement that shareholders' concerns about an audit of the company's annual accounts be published on the company's website;
- (q) there is no requirement under the Jersey Companies Law that a director's report contain a business review (which under the UK Companies Act needs to contain information about environmental matters, employees, social and community issues and persons with whom the company has contractual or other arrangements which are essential to the business);
- (r) there are no provisions in the Jersey Companies Law requiring the production of directors' remuneration reports;
- (s) there is no express restriction on donations by a company to political organisations under Jersey law;
- (t) there is no express power under the Jersey Companies Law for directors to make provisions for the benefit of employees of the company in connection with the cessation or transfer of the undertaking of the company;
- (u) while under the Jersey Companies Law the directors of a Jersey company are required to act honestly and in good faith with a view to the best interests of the company and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, under the UK Companies Act a director, while promoting the success of the company, is also required to have regard to, amongst other things, the interests of the company's employees, and to the need to foster business relationships with suppliers and customers and the impact of the company's operations on the environment; and
- (v) under Jersey law, the two principal procedures for dissolving a Jersey company are winding-up and *désastre*. The concept of a winding up is broadly similar to that under English law, except that under Jersey law, a winding-up may only be commenced by the Jersey company and not by one of its creditors. If the company is solvent the winding up will be a summary winding-up. If the company is insolvent, the winding-up will be a creditors' winding-up. A creditor wishing to dissolve a Jersey company would seek to have the company's property declared *en désastre* under the Bankruptcy (Désastre) (Jersey) Law 1990, as amended. If the company's property is declared *en désastre*, all of the powers and property of the company (belonging to or vested in the company at the date of the declaration and all powers in or over or in respect of such property exercisable by the company at the date of the declaration and whether situated in Jersey or elsewhere) are vested in the Viscount (an officer of the court). The role of the Viscount is similar to that of a liquidator. The Viscount's principal duty is to distribute the assets of the company among the persons entitled to receive them in accordance with their respective claims as provided by the law and he is not under an obligation to call any creditors' meetings (although he may do so).

22.3 This list is intended to be illustrative only and does not purport to be exhaustive or to constitute legal advice. Any holder, or prospective holder, of Ordinary Shares wishing to obtain further information regarding their rights as a shareholder under Jersey law should consult their Jersey legal advisers.

## 23 Auditors

The Company appointed RSM UK Audit LLP whose registered office is at 25 Farringdon Street, London, EC4A 4AB as its auditors on 8 June 2018.

## PART V

### TERMS AND CONDITIONS OF THE PLACING

#### 1. Introduction

- 1.1 Each Placee which confirms its agreement to either of the Joint Bookrunners (as applicable) (whether orally or in writing) to subscribe for Placing Shares under the Placing, hereby agrees with the Joint Bookrunners that it will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.2 The Company and the Joint Bookrunners may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties undertakings, and/or representations as any of them (in their absolute discretion) sees fit.

#### 2. Agreement to purchase Placing Shares

Conditional on (i) Admission occurring and becoming effective by 8:00 a.m. on or prior to 5 July 2018 (or such later time and/or date, being not later than 3:00 p.m. on 16 July 2018, as the Company and the Joint Bookrunners may agree); (ii) the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated in accordance with its terms on or before Admission; and (iii) either of the Joint Bookrunners confirming to the relevant Placees their allocation of Placing Shares in the Placing at the Issue Price, each Placee irrevocably agrees to become a member of the Company and agrees to subscribe for those Placing Shares allocated to it by the Joint Bookrunners (as applicable) at the Issue Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any rights to rescind or terminate or otherwise withdraw from such commitment at any time. This does not affect any other rights the Placee may have.

#### 3. Dealings and Admission

The Placing is subject to the satisfaction of certain conditions contained in the Placing Agreement, which are customary for an agreement of this nature. Certain conditions are related to events which are outside the control of the Company, the Directors and the Joint Bookrunners (including, without limitation, the occurrence of certain force majeure events, a material reduction in the uranium spot price or a breach of any of the warranties by the Company or the Directors). Further details of the Placing Agreement are described in paragraph 10.2 of Part IV (Additional Information).

Application has been made to the London Stock Exchange for the Placing Shares to be admitted to AIM. Due to the required notice period under the Kazatomprom Contract, there will be a period of up to 10 days between pricing of the New Ordinary Shares and Admission and it is expected that Admission will take place and dealings in the Placing Shares will commence on AIM at 8:00 a.m. (London time) on 5 July 2018.

Each Placee will be required to undertake to pay the Issue Price for the Placing Shares sold to such investor in such manner as shall be directed by the Joint Bookrunners. It is expected that Placing Shares allocated to investors in the Placing will be delivered in uncertificated form and settlement will take place through CREST on Admission, however, Placees who wish to receive Ordinary Shares in certificated form will be able to do so.

#### 4. CREST

The Articles will permit the holding of Ordinary Shares (including Placing Shares) in the CREST system. CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer.

CREST is a voluntary system and holders of Ordinary Shares (including Placing Shares) who wish to receive and retain share certificates will be able to do so. Placees applying for Placing Shares in the Placing may elect to receive Placing Shares in uncertificated form, if that investor is a system member (as defined in the CREST Regulations) with regard to CREST.

## 5. Payment for Placing Shares

Each Placee undertakes to pay the aggregate Issue Price for such number of Placing Shares issued to the Placee in the manner and by the time directed by either Joint Bookrunner. In the event of any failure by any Placee to pay as so directed and/or by the time required, the relevant Placee shall be deemed hereby to have appointed the Joint Bookrunners or any nominee of either Joint Bookrunner as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the Placing Shares in respect of which payment shall not have been made as directed, and to indemnify each Joint Bookrunner and their respective affiliates on demand in respect of any liability for stamp duty and/or stamp duty reserve tax or any other liability whatsoever arising in respect of any such sale or sales. A sale of all or any of such Placing Shares shall not release the relevant Placee from the obligation to make such payment for relevant Placing Shares to the extent that either Joint Bookrunner or their nominees have failed to sell such Placing Shares at a consideration which, after deduction of the expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, exceeds the Issue Price (as applicable) per Placing Share.

## 6. Representations and Warranties

6.1 By agreeing to subscribe for Placing Shares, each Placee that enters into a commitment to subscribe for Placing Shares will (for itself and for any person(s) procured by it to subscribe for Placing Shares and any nominee(s) for any such person(s)) be deemed to undertake, represent and warrant to each of the Company and the Joint Bookrunners that:

- (a) it is relying solely on this Document (or any supplementary Admission Document (as the case may be)) and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Placing Shares or the Placing. It agrees that neither the Company nor the Joint Bookrunners, or any of their respective officers, agents, employees or affiliates will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- (b) if the laws of any territory or jurisdiction outside Jersey or the United Kingdom are applicable to its agreement to subscribe for Placing Shares under the Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Joint Bookrunners or the Registrar or any of their respective officers, agents, employees or affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;
- (c) it has carefully read and understands this Document in its entirety and acknowledges that it is acquiring Placing Shares on the terms and subject to the conditions set out in this Part V (*Terms and Conditions of the Placing*) and Part VI (*Notice to US and Certain Other Investors*) (where applicable) and the Articles as in force at the date of Admission. Such Placee agrees that these terms and conditions represent the whole and only agreement between the Placee, the Company and the Joint Bookrunners in relation to the Placee's participation in the Placing and supersedes any previous agreement between any of such parties in relation to such participation. Accordingly, all other terms, conditions, representations, warranties and other statements which would otherwise be implied (by law or otherwise) shall not form part of these terms and conditions. Such Placee agrees that neither of the Company or the Joint Bookrunners, nor any of their respective officers or directors will have any liability for any such other information or representation and irrevocably and unconditionally waives any rights it may have in respect of any such other information or representation;
- (d) it has not relied on either Joint Bookrunner or any person affiliated with any of them in connection with any investigation of the accuracy of any information contained in this Document;



- (e) it acknowledges that the contents of this Document are exclusively the responsibility of the Company and its Directors and neither the Joint Bookrunners nor any person acting on their behalf nor any of their affiliates are responsible for or shall have any liability for any information, representation or statement contained in this Document or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Placing based on any information, representation or statement contained in this Document or otherwise;
- (f) it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this Document and, if given or made, any information or representation must not be relied upon as having been authorised by the Joint Bookrunners or the Company;
- (g) it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- (h) if it is within the United Kingdom, it is a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or is a person to whom the Placing Shares may otherwise lawfully be offered under such Order, or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Placing Shares may be lawfully offered under that other jurisdiction's laws and regulations and in all cases is capable of being categorised as a person who is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook;
- (i) if it is in Australia, it accepts and acknowledges that this Document is not a prospectus, product disclosure statement or other offering document under the Corporations Act 2001 (Cth) (**Corporations Act**) or any other Australian law and will not be lodged or registered with the Australian Securities and Investments Commission or any other regulator in Australia;
- (j) if it is in Australia, it is a "sophisticated investor" or a "professional investor" as those terms are defined in sub-sections 708(8) and 708(11) of the Corporations Act, respectively;
- (k) if it is in Singapore, it accepts and acknowledges that this document is not a prospectus, and has not been and will not be lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore and, accordingly, statutory liability under the Securities and Futures Act (Cap. 289) of Singapore (the "SFA") in relation to the content of prospectuses will not apply;
- (l) if it is in Singapore, it is an "accredited investor" or "institutional investor" as those terms are defined in Section 4A of the SFA;
- (m) if it is in Hong Kong, it is a "professional investor" for the purposes of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
- (n) if it is in South Africa, it accepts and acknowledges that this document is not a "registered prospectus" (as that term is defined in the South African Companies Act, 2008 ("**Companies Act**")) and will not be filed or registered with the South African Companies and Intellectual Property Commission or any other regulator in South Africa;
- (o) if it is in South Africa, it is one or more of the persons or entities referred to in section 96(1) of the Companies Act;
- (p) if it is in South Africa and is a "resident" (as that term is defined in the South African Exchange Control Regulations), its subscription for Placing Shares under the Placing is made strictly in compliance with the South African Exchange Control Regulations in effect from time to time and any other applicable laws and regulations of South Africa in effect from time to time;
- (q) if it is in Canada or otherwise subject to the securities laws of Canada, it is a "permitted client" as defined in National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations and a "accredited investor" as defined



in section 1.1 of National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario) (but other than solely an individual “accredited investor” under paragraph (j), (k) or (l) of that definition or as an entity created or used solely to purchase or hold securities under paragraph (m)) and is either purchasing the Ordinary Shares as principal for its own account, or are deemed to be purchasing the Ordinary Shares as principal in accordance with applicable securities laws. Accordingly, purchasers of the Ordinary Shares in Canada or otherwise subject to the securities laws of Canada do not receive the benefits associated with a subscription for securities issued pursuant to a prospectus, including the review of offering materials by any securities regulatory authority in Canada. No securities commission or similar securities regulatory authority in Canada has reviewed or in any way passed upon this Document or the merits of the Ordinary Shares and any representation to the contrary is an offence under applicable Canadian securities laws;

- (r) if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Placing Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Placing Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- (s) it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non-discretionary basis for any such person;
- (t) it has complied with and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing in, from or otherwise involving the United Kingdom;
- (u) if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such Placee’s agreement to subscribe for Placing Shares under the Placing and will not be any such person on the date any such Placing (as applicable) is accepted;
- (v) it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Document or any other offering materials concerning the Placing or the Placing Shares to any persons within a jurisdiction in which it would be unlawful to do so, nor will it do any of the foregoing;
- (w) it acknowledges that neither the Joint Bookrunners nor any of their respective affiliates or any person acting on their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and participation in the Placing is on the basis that it is not and will not be a client of either Joint Bookrunner and that neither Joint Bookrunner has any duties or responsibilities to it for providing protection afforded to their respective clients or for providing advice in relation to the Placing;
- (x) that, save in the event of fraud on the part of either Joint Bookrunner, or in respect of any liability which cannot be excluded under FSMA, neither Joint Bookrunner or its respective ultimate holding company, nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees shall be responsible or liable to a Placee or any of its clients for any matter arising out of either Joint Bookrunner’s role as nominated adviser, broker and bookrunner (as applicable to Numis or Berenberg) or otherwise in connection with the Placing and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;

- (y) it acknowledges that where it is subscribing for Placing Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Placing Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this Document; and (iii) to receive on behalf of each such account any documentation relating to the Placing (as applicable) in the form provided by the Company and/or the Joint Bookrunners. It agrees that the provision of this paragraph shall survive any resale of the Placing Shares by or on behalf of any such account;
- (z) it irrevocably appoints any Director of the Company and/or any authorised representative of either Joint Bookrunner to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Placing Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;
- (aa) the exercise by the Joint Bookrunners, the Company or the Directors of any rights or obligations under the Placing Agreement shall be within their absolute discretion and the Joint Bookrunners, the Company and the Directors need not have any reference to any Placee and it accepts that if the Placing does not proceed or the relevant conditions to the Placing Agreement are not satisfied for any reason whatsoever then neither the Joint Bookrunners, nor the Company, nor the Directors, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- (bb) in connection with its participation in the Placing, it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007, and any other applicable law concerning the prevention of money laundering and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (ii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing);
- (cc) it acknowledges that due to anti-money laundering requirements and the countering of terrorist financing, the Joint Bookrunners and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, the Joint Bookrunners and the Company may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify the Joint Bookrunners and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been requested has not been provided by it in a timely manner;
- (dd) it is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Placing Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Joint Bookrunners or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with its acceptance of participation in the Placing;

- (ee) it acknowledges and agrees that information provided by it to the Company or the Registrar will be stored on the Registrar's computer system and in hard copy. It acknowledges and agrees that for the purposes of the Data Protection Act 1998 (the "**Data Protection Law**") and other relevant data protection legislation which may be applicable, the Registrar is required to specify the purposes for which it will hold personal data. The Registrar will only use such information for the purposes set out below (collectively, the "**Purposes**"), being to:
  - (a) process its personal data (including sensitive personal data) as required by or in connection with its holding of Placing Shares, including processing personal data in connection with credit and money laundering checks on it;
  - (b) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Placing Shares;
  - (c) provide personal data to such third parties as the Registrar may consider necessary in connection with its affairs and generally in connection with its holding of Placing Shares or as the Data Protection Law may require, including to third parties outside the United Kingdom or the EEA;
  - (d) without limitation, provide such personal data to the Company, the Joint Bookrunners and their respective associates for processing, notwithstanding that any such party may be outside the United Kingdom or the EEA;
- (ff) in providing the Registrar with information, it hereby represents and warrants to the Registrar that it has obtained the consent of any data subjects to the Registrar and its associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the purpose set out in paragraph (y) above). For the purposes of this document, "data subject", "personal data" and "sensitive personal data" shall have the meanings attributed to them in the Data Protection Law (as appropriate);
- (gg) the Joint Bookrunners, the Company and the Directors are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to them;
- (hh) the representations, undertakings and warranties contained in this document are irrevocable. It acknowledges that the Joint Bookrunners and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Placing Shares are no longer accurate, it shall promptly notify the Joint Bookrunners and the Company;
- (ii) where it or any person acting on behalf of it is dealing with either Joint Bookrunner, any money held in an account with either Joint Bookrunner, on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require that Joint Bookrunner to segregate such money, as that money will be held by such Joint Bookrunner under a banking relationship and not as trustee;
- (jj) any of its clients, whether or not identified to either Joint Bookrunner will remain its sole responsibility and will not become clients of that Joint Bookrunner for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- (kk) it accepts that the allocation of Placing Shares shall be determined by the Joint Bookrunners (in consultation with the Company to the extent lawful and practicable) in their absolute discretion and that the Joint Bookrunners may scale down Placees' allocations for this purpose on such basis as they may determine; and
- (ll) time shall be of the essence as regards its obligations to settle payment for the Placing Shares and to comply with its other obligations under the Placing.

## **7. United States Purchase and Transfer Restrictions**

- 7.1 By participating in the Placing, each Placee who is not required to execute a US Investor Letter pursuant to paragraph 1.4 of Part VI of this document because it is not in the United States acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Placing Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to the Company and the Joint Bookrunners that:
- (a) it is outside the United States, and is not acquiring the Ordinary Shares for the account or benefit of a person in the United States;
  - (b) it is acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S;
  - (c) the Ordinary Shares have not been offered to it by the Company, its directors, officers, agents, employees, advisers or any others by means of any “directed selling efforts” as defined in Regulation S;
  - (d) it is aware that the Ordinary Shares have not been and will not be registered under the Securities Act and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act;
  - (e) other than certain initial purchasers in the Placing, it is not, and is not acting on behalf of, a US Plan Investor or a Controlling Person;
  - (f) if in the future it decides to offer, sell, transfer, assign, novate or otherwise dispose of Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act;
  - (g) it consents to the Company making a notation on its records or giving instructions to any transfer agent of the Ordinary Shares in order to implement the restrictions on transfer set out and described in this Document;
  - (h) it has received, carefully read and understands this Document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Document or any other presentation or offering materials concerning the Ordinary Shares to any persons within the United States, nor will it do any of the foregoing; and
  - (i) each of the Joint Bookrunners, the Company, its directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations and agreements. If any of the representations or agreements made by the purchaser are no longer accurate or have not been complied with, the purchaser will immediately notify the Company and, if it is acquiring any Ordinary Shares as a fiduciary or agent for one or more accounts, the purchaser has sole investment discretion with respect to each such account and it has full power to make the foregoing representations and agreements on behalf of each such account.

## **8. Supply and Disclosure of Information**

If either Joint Bookrunner, the Registrar or the Company or any of their respective agents request any information about a Placee’s agreement to subscribe for Placing Shares under the Placing, such Placee must promptly disclose it to them.

## **9. Miscellaneous**

- 9.1 The rights and remedies of the Joint Bookrunners, the Registrar, the Company and the Directors under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 9.2 On application, if a Placee is an individual, that Placee may be asked to disclose in writing or orally, his nationality. If a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing will be sent at the Placee’s risk. They may be returned by post to such Placee at the address notified by such Placee.
- 9.3 Each Placee agrees to be bound by the Articles once the Placing Shares, which the Placee has agreed to subscribe for pursuant to the Placing, have been acquired by the Placee. The contract to subscribe for Placing Shares under the Placing and the appointments and authorities

mentioned in this Document and all disputes and claims arising out of or in connection with its subject matter or formation (including any non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Joint Bookrunners, the Company and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against a Placee in any other jurisdiction.

- 9.4 In the case of a joint agreement to subscribe for Placing Shares under the Placing, references to a Placee in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- 9.5 The Joint Bookrunners and the Company expressly reserve the right to modify the Placing (including, without limitation, its timetable and settlement) at any time before allocations are determined. The Placing is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated. Further details of the terms of the Placing Agreement are contained in paragraph 10.2 of Part IV (*Additional Information*) of this document.



## PART VI

### NOTICE TO US AND CERTAIN OTHER INVESTORS

#### 1 Selling and Transfer Restrictions

##### 1.1 General

As described more fully below, there are certain restrictions regarding the Ordinary Shares that affect prospective investors. These restrictions include, among others, (i) prohibitions on participation in the Placing by Benefit Plan Investors or Controlling Persons, each as defined in 2.1 below (other than a purchaser subscribing for new Ordinary Shares in the Company in connection with which the purchaser (a) obtains the written consent of the Company and (b) provides an ERISA certificate to the Company as to its status as a Benefit Plan Investor or Controlling Person), and (ii) restrictions on the ownership and transfer of Ordinary Shares by such persons following the Placing.

The Ordinary Shares have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States.

The Ordinary Shares are being offered and sold only (a) outside the United States in offshore transactions within the meaning of and in accordance with Rule 903 of Regulation S and (b) within, into or in the United States to persons reasonably believed to be QIBs in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Until 40 days after Admission, an offer or sale of the Ordinary Shares within the United States by any dealer (whether or not participating in the Placing) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to an available exemption from registration under the Securities Act.

##### 1.2 Restrictions on Purchasers of Ordinary Shares

Each initial purchaser of the Ordinary Shares in the Placing that is within the United States (or is purchasing for the account or benefit of a person in the United States) is hereby notified by accepting delivery of this Document that the offer and sale of Ordinary Shares to it is being made in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each initial purchaser of Ordinary Shares in the Placing that is within the United States (or is purchasing for the account or benefit of a person who is in the United States) must be a QIB.

##### 1.3 Restrictions on Purchasers of Ordinary Shares in Reliance on Regulation S

Each purchaser of the Ordinary Shares offered outside the United States in reliance on Regulation S in the Placing, by accepting delivery of this Document, will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

- 1.3.1 the purchaser is outside the United States, and is not acquiring the Ordinary Shares for the account or benefit of a person in the United States;
- 1.3.2 the purchaser is acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S;
- 1.3.3 the Ordinary Shares have not been offered to it by the Company, its directors, officers, agents, employees, advisers or any others by means of any “directed selling efforts” as defined in Regulation S;
- 1.3.4 the purchaser is aware that the Ordinary Shares have not been and will not be registered under the Securities Act and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act;

- 1.3.5 other than certain initial purchasers in the Placing, it is not, and is not acting on behalf of, a US Plan Investor or a Controlling Person;
  - 1.3.6 if in the future it decides to offer, sell, transfer, assign, novate or otherwise dispose of Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act;
  - 1.3.7 it consents to the Company making a notation on its records or giving instructions to any transfer agent of the Ordinary Shares in order to implement the restrictions on transfer set out and described in this Document;
  - 1.3.8 it has received, carefully read and understands this Document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Document or any other presentation or offering materials concerning the Ordinary Shares to any persons within the United States, nor will it do any of the foregoing; and
  - 1.3.9 each of the Joint Bookrunners, the Company, its directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations and agreements. If any of the representations or agreements made by the purchaser are no longer accurate or have not been complied with, the purchaser will immediately notify the Company and, if it is acquiring any Ordinary Shares as a fiduciary or agent for one or more accounts, the purchaser has sole investment discretion with respect to each such account and it has full power to make the foregoing representations and agreements on behalf of each such account.
- 1.4 *Restrictions on Purchases of Ordinary Shares by Persons Located in the United States*
- Each purchaser of the Ordinary Shares located in the United States will be required to execute a US Investor Letter containing the representations and agreements substantially consistent with those described below, among other representations and agreements, and by accepting delivery of this Document will be deemed to have represented and agreed as follows:
- 1.4.1 it understands that the Ordinary Shares have not been and will not be registered under the Securities Act of 1933 or any applicable state securities laws and that the offer and sale of Ordinary Shares to it are being made in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act and similar exemptions under applicable state securities laws;
  - 1.4.2 it agrees on its own behalf and on behalf of any investor account for which it is purchasing Ordinary Shares that the Ordinary Shares may not be reoffered, resold, pledged or otherwise transferred, directly or indirectly, except:
    - 1.4.2.1 to the Company (though the Company is under no obligation to purchase any such Ordinary Shares);
    - 1.4.2.2 through offers and sales that occur outside the United States in compliance with Rule 904 of Regulation S under the Securities Act; or
    - 1.4.2.3 pursuant to a registration statement that has been declared effective under the Securities Act (though the Company is under no obligation to file any such registration statement),
 in each case in compliance with any applicable state securities laws in the United States or the securities laws of any state or other applicable jurisdiction;
  - 1.4.3 it is a QIB and is acquiring the Ordinary Shares for its own account or for the account of one or more QIBs with respect to which it exercises sole investment discretion, for investment purposes only, and not with a view to any resale, distribution or other disposition of the Ordinary Shares in violation of United States federal or state securities laws;
  - 1.4.4 it acknowledges that it has not purchased the Ordinary Shares as a result of any “general solicitation” or “general advertising” (as such terms are used in Regulation D under the Securities Act), including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or broadcast over radio, television or the internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
  - 1.4.5 other than an initial purchaser in the Placing, it is not, and is not acting on behalf of, a US Plan Investor or a Controlling Person;

- 1.4.6 if in the future it decides to offer, sell, transfer, assign, novate or otherwise dispose of Ordinary Shares, it will do so only pursuant to an effective registration statement or, in compliance with an exemption from the registration requirements, of the Securities Act;
- 1.4.7 it consents to the Company making a notation on its records or giving instructions to any transfer agent of the Ordinary Shares in order to implement the restrictions on transfer set out and described in this Document;
- 1.4.8 it understands and acknowledges that the Company is not obligated to file and has no present intention of filing with the SEC or with any state securities regulatory authority any registration statement in respect of resales of the Ordinary Shares;
- 1.4.9 it acknowledges that it has received a copy of this Document and has been afforded the opportunity to ask such questions as it deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the offering of the Ordinary Shares and to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to verify the accuracy and completeness of the information contained in this Document and that it considered necessary in connection with its decision to invest in the Ordinary Shares;
- 1.4.10 it is relying on the information contained in this Document in making its investment decision with respect to the Ordinary Shares. It acknowledges that no representation or warranty is made by the Joint Bookrunners as to the accuracy or completeness of such materials. It further acknowledges that none of the Company or the Joint Bookrunners has made any representation or given any information to it with respect to the Company or the offering or sale of any Ordinary Shares other than the information contained in this Document;
- 1.4.11 it understands and acknowledges that there may be material tax consequences to it of an acquisition, holding or disposition of the Ordinary Shares. The Company and the Joint Bookrunners give no opinion and make no representation with respect to the tax consequences to any purchaser under United States, state, local or foreign tax law of its acquisition, holding or disposition of the Ordinary Shares, and it acknowledges that it is solely responsible for determining the tax consequences to its investment;
- 1.4.12 it acknowledges that the Ordinary Shares will be “restricted securities” within the meaning of Rule 144 that will not be represented by certificates that bear a US restricted legend or are identified by a restricted CUSIP number in reliance on the acknowledgments, representations and agreements of the undersigned contained herein; and
- 1.4.13 each of the Joint Bookrunners, the Company, its directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations and agreements. If any of the representations or agreements made by the purchaser are no longer accurate or have not been complied with, the purchaser will immediately notify the Company and, if it is acquiring any Ordinary Shares as a fiduciary or agent for one or more accounts, the purchaser has sole investment discretion with respect to each such account and it has full power to make such foregoing representations and agreements on behalf of each such account.

The Company will not recognize any resale or other transfer, or attempted resale or other transfer, in respect of the Ordinary Shares made other than in compliance with the above stated restrictions.

#### 1.5 *ERISA Restrictions*

Each purchaser of Ordinary Shares (other than a purchaser subscribing for new Ordinary Shares in the Company in connection with which the purchaser (a) obtains the written consent of the Company and (b) provides an ERISA certificate to the Company as to its status as a Benefit Plan Investor or Controlling Person) or subsequent transferee, as applicable, of an interest in the Ordinary Shares, on each day from the date on which such beneficial owner acquires its interest in such Ordinary Shares through and including the date on which such beneficial owner disposes of its interest in such Ordinary Shares, will be deemed to have represented and agreed that no portion of the assets used to acquire or hold its interest in the Ordinary Shares

constitutes or will constitute the assets of any Benefit Plan Investor or Controlling Person (each as defined below). Purported transfers of Ordinary Shares to Benefit Plan Investors or Controlling Persons will, to the extent permissible by applicable law, be void *ab initio*.

If any Ordinary Shares are owned directly or beneficially by a person believed by the Directors to be (i) in violation of the transfer restrictions set forth in this US Private Placement Memorandum, the Circular and the Admission Document, (ii) a Benefit Plan Investor, Controlling Person, or equivalent under similar laws or (iii) a person whose beneficial ownership otherwise causes a violation of the 25% Limitation as defined in 2.1 below (any such person, a “**Non-Permitted ERISA Holder**”), the Directors may give notice to such Non-Permitted ERISA Holder requiring him either (a) to provide the Directors within 30 days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Directors that such person is not in violation of the transfer restrictions set forth in this US Private Placement Memorandum, the Circular and the Admission Document or is not a Benefit Plan Investor or Controlling Person or (b) to sell or transfer his Ordinary Shares to a person qualified to own the same within 30 days, and within such 30 days to provide the Directors with satisfactory evidence of such sale or transfer. Where condition (i) or (ii) is not satisfied within 30 days after the serving of the notice, the Board is entitled to arrange for the sale of the Ordinary Shares on behalf of the person. If the Company cannot effect a sale of the Ordinary Shares within ten trading days of its first attempt to do so, the person will be deemed to have forfeited his Ordinary Shares.

## 2 Certain ERISA Considerations

### 2.1 General

The following is a summary of certain considerations associated with the purchase of the Ordinary Shares by (i) any employee benefit plan subject to Title I of ERISA; (ii) a plan, individual retirement account or other arrangement that is subject to section 4975 of the US Tax Code; (iii) entities whose underlying assets are considered to include “plan assets” of any plan, account or arrangement described in preceding clause (i) or (ii) (each entity described in preceding clauses (i), (ii), or (iii) a “**Benefit Plan Investor**”); or (iv) a person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the Company or any Person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of any such Person (each, a “**Controlling Person**”). This summary is general in nature, is not intended to be all-inclusive and is based on laws in effect on the date of this Document. Such discussion should not be construed as legal advice. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the Ordinary Shares on behalf of, or with the assets of, any plan, consult with their counsel to determine whether such plan is subject to Title I of ERISA, section 4975 of the US Tax Code or any non-US, state, local or other federal laws or regulations that are substantially similar to the foregoing provisions of ERISA and the US Tax Code (collectively, “**Similar Laws**”).

Section 3(42) of ERISA provides that the term “plan assets” has the meaning assigned to it by such regulations as the US Department of Labor (the “**US Plan Asset Regulations**”) may prescribe, except that under such regulations the assets of any entity shall not be treated as plan assets if, immediately after the most recent acquisition of any equity interest in the entity, less than 25% of the total value of each class of equity is held by Benefit Plan Investors, excluding equity interests held by any Controlling Persons (the “**25% Limitation**”). The Company will use reasonable efforts to prohibit ownership by Benefit Plan Investors or Controlling Persons in the Ordinary Shares to a level that will not be “significant” for purposes of the US Plan Asset Regulations. However, the Company has permitted limited participation to certain Benefit Plan Investors or Controlling Persons and no assurance can be given that, notwithstanding the commercially reasonable efforts of the Company, investment by Benefit Plan Investors or Controlling Persons in the Ordinary Shares will not be “significant” for purposes of the US Plan Asset Regulations.

### 2.2 Plan Asset Consequences

If the Company’s assets were deemed to be “plan assets” of a plan subject to ERISA (an “**ERISA Plan**”) whose assets were invested in the Company, this would result, among other things, in: (i) the application of the prudence and other fiduciary responsibility standards of ERISA to investments made by the Company and (ii) the possibility that certain transactions



that the Company and its special purpose vehicle might enter into, or may have entered into in the ordinary course of business, might constitute or result in non-exempt prohibited transactions under section 406 of ERISA and/or section 4975 of the US Tax Code and might have to be rescinded such that the Company and/or any other fiduciary that has engaged in the prohibited transaction could be required to (i) restore to the ERISA Plan any profit realized on the transaction and (ii) reimburse the ERISA Plan for any losses suffered by the ERISA Plan as a result of the investment. A non-exempt prohibited transaction, in addition to imposing potential liability upon fiduciaries of the ERISA Plan, may also result in the imposition of an excise tax under the US Tax Code upon a “party in interest” (as defined in ERISA) or “disqualified person” (as defined in the US Tax Code), with whom the ERISA Plan engages in the transaction. The excise tax, if assessed, is equal to 15% of the amount involved in the prohibited transaction for each year the transaction continues and, unless the transaction is corrected within statutorily required periods, to an additional tax of 100%. Also fiduciaries who decide to invest in the Ordinary Shares could, under certain circumstances, be liable for prohibited transactions or other violations as a result of the investment or as co-fiduciaries for actions taken by or on behalf of the Company. . With respect to an individual retirement account (“IRA”) that invests in the Ordinary Shares, the occurrence of a prohibited transaction involving the individual who established the IRA, or his or her beneficiaries, could cause the IRA to lose its tax-exempt status.

Investors that are governmental plans, certain church plans and non-US plans, while not subject to Part 4 of Subtitle B of Title I of ERISA or section 4975 of the US Tax Code, may nevertheless be subject to Similar Laws. Fiduciaries of or decision-makers for such plans should consult with their counsel before purchasing or holding any Ordinary Shares. Each such purchaser or transferee will be deemed to represent and warrant that its investment will not cause the Company to be subject to any Similar Laws.

Due to the foregoing, except with respect to a purchaser subscribing for new Ordinary Shares in the Company in connection with which the purchaser (a) obtains the written consent of the Company and (b) provides an ERISA certificate to the Company as to its status as a Benefit Plan Investor or Controlling Person, Ordinary Shares may not be purchased or held by any person investing assets of any Benefit Plan Investor or Controlling Person.

### 2.3 *Representation and Warranty*

In light of the foregoing, except with respect to a purchaser subscribing for new Ordinary Shares in the Company in connection with which the purchaser (a) obtains the written consent of the Company and (b) provides an ERISA certificate to the Company as to its status as a Benefit Plan Investor or Controlling Person, by accepting an interest in any Ordinary Shares, each shareholder will be deemed to have represented and warranted, or will be required to represent and warrant in writing, that no portion of the assets used to purchase or hold its interest in the Ordinary Shares constitutes or will constitute the assets of any Benefit Plan Investor or Controlling Person. Any purported purchase or holding of the Ordinary Shares in violation of the requirement described in the foregoing representation will be void to the extent permissible by applicable law. If the ownership of Ordinary Shares by an investor will or may result in the Company’s assets being deemed to constitute “plan assets” under the US Plan Asset Regulations, the Directors may take the actions described above under “-ERISA Restrictions”.

If a purchaser is a Benefit Plan Investor, then at any time when regulation 29 C.F.R. Section 2510.3-21, as modified in 2016 or thereafter, is applicable, the fiduciary making the decision to invest in the Ordinary Shares on the purchaser’s behalf will be required or deemed to represent and warrant that it (a) is a bank, insurance company, registered investment adviser, broker-dealer or other person with financial expertise, in each case as described in 29 C.F.R. Section 2510.3-21(c)(1)(i); (b) is an independent plan fiduciary within the meaning of 29 C.F.R. Section 2510.3-21; (c) is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies; (d) is responsible for exercising independent judgment in evaluating the transaction and (e) is not paying any fee or other compensation to the Issuer for investment advice (as opposed to other services) in connection with the transaction. In addition, such fiduciary will be required or deemed to acknowledge and agree that it (i) has been informed (and it is hereby expressly confirmed) that none of the Issuer or other persons that provide marketing services, nor any of their affiliates, has provided, and none of them will provide, impartial investment advice and they are not giving any advice in a



fiduciary capacity, in connection with the investor's acquisition of Ordinary Shares and (ii) has received and understands the disclosure of the existence and nature of the financial interests contained in this Document and related materials.

### **3 Notice to Investors In Canada**

The Ordinary Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations and by purchasing the Ordinary Shares, the Canadian purchaser thereof will be deemed to have represented and warranted as such to Numis, Berenberg, Olivetree and Scott Harris. Any resale of the Ordinary Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws. The Ordinary Shares will be subject to the following legend restriction: "Unless permitted under securities legislation, the holder of the Ordinary Shares must not trade the security before the date that is 4 months and a day after the later of (i) the date of distribution of the Ordinary Shares, and (ii) the date the issuer became a reporting issuer in any province or territory." In the event that no physical certificates representing the Ordinary Shares are provided to the purchaser (including if the Ordinary Shares are entered into direct registration or other electronic book-entry system), the above constitutes written notice pursuant to, and as required by, Section 2.5(2)(3.1) of National Instrument NI 45-102 Resale of Securities ("NI 45-102") of the legend requirement set out in section 2.5 of NI 45-102.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Document (including any amendment hereto) contains a misrepresentation (as defined under applicable Canadian securities laws), provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Canadian investors are advised that, pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), Numis, Berenberg, Olivetree and Scott Harris are, in connection with this offering, relying on the exemption from the requirement to provide Canadian investors with certain disclosure required by NI 33-105 regarding underwriter conflicts of interest pertaining to "connected issuer" and/or "related issuer" relationships.

### **4 Notice to Investors in Australia**

This Document is not a prospectus, product disclosure statement or other offering document under the Corporations Act 2001 (Cth) ("**Corporations Act**") or any other Australian law and will not be lodged or registered with the Australian Securities and Investments Commission or any other regulator in Australia.

In Australia, the Ordinary Shares may be sold only to sophisticated investors or professional investors as those terms are defined in sub-sections 708(8) and 708(11) of the Corporations Act.

### **5 Notice to Investors in Singapore**

This Document is not a prospectus, and has not been and will not be lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore and, accordingly, statutory liability under the Securities and Futures Act (Cap. 289) of Singapore (the "SFA") in relation to the content of prospectuses will not apply.

In Singapore, the Ordinary Shares may only be sold to those persons who are accredited investors or institutional investors, as those terms are defined in Section 4A of the SFA

### **6 Notice to Investors in South Africa**

This Document is not a "registered prospectus" (as that term is defined in the South African Companies Act, 2008 ("**Companies Act**")) and will not be filed or registered with the South African Companies and Intellectual Property Commission or any other regulator in South Africa.

In South Africa, the Ordinary Shares may only be sold to those persons who are one or more of the persons or entities referred to in section 96(1) of the Companies Act.

#### **7 Notice to Investors in Hong Kong**

The Ordinary Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors”, as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance or (b) in other circumstances which do not result in this Document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provision) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance, and no advertisement, invitation or document relating to the Ordinary Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong has been or will be issued or may be in the possession of any person for the purpose of issue, whether in Hong Kong or elsewhere (except if permitted to do so under the securities laws of Hong Kong), other than with respect to the Ordinary Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

#### **8 Notice to Investors in Switzerland**

The Ordinary Shares will not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This Document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27ff. of the SIX Listing Rules or any of listing rules of any other stock exchange or regulated trading facility in Switzerland.

Neither this Document nor any other offering or marketing material relating to the Company or the Ordinary Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Document will not be filed with, and the offer of the Ordinary Shares will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of the New Ordinary Shares has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to purchasers of the Ordinary Shares.

This Document, as well as any other material relating to the Ordinary Shares, is personal and confidential and does not constitute an offer to any other person. This Document may only be used by those investors to whom it has been sent in connection with the offering described herein and may neither, directly nor indirectly, be distributed or made available to other persons without the express consent of the Company. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

#### **9 Notice to Investors in Russia**

This Document or information contained therein is not an offer, or an invitation to make offers, sell, purchase, exchange or transfer any securities in the Russian Federation to or for the benefit of any Russian person or entity, and does not constitute an advertisement or offering of any securities in the Russian Federation within the meaning of Russian securities laws. Information contained in this Document in respect of the Ordinary Shares is not intended for any persons in the Russian Federation who are not “qualified investors” within the meaning of Article 51.2 of the Federal Law No. 39-FZ “On the Securities Market” dated 22 April 1996, as amended (“Russian QIs”) and this Document must not be distributed or circulated into the Russian Federation or made available in the Russian Federation to any persons who are not Russian QIs, unless and to the extent they are otherwise permitted to access such information under Russian law. The Ordinary Shares referred to in this Document have not been registered in Russia or admitted to placement and/or public circulation in the Russian Federation and the information contained in this Document is not to be made publicly available in the Russian Federation or passed on to third parties in the Russian Federation, unless otherwise permitted

under Russian law. The Ordinary Shares are not intended for “offering”, “placement” or “circulation” (each as defined in Russian securities laws) in the Russian Federation, except as permitted by Russian law.

