

Uranium Participation Corporation Reports Financial Results for the Quarter Ended August 31, 2018

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TORONTO, Sept. 27, 2018 - [Uranium Participation Corp.](#) ("UPC" or the "Corporation") today filed its Financial Statements and Management's Discussion & Analysis ("MD&A") for the period ended August 31, 2018. Both documents can be found on the Company's website (www.uraniumparticipation.com) or on SEDAR (www.sedar.com). The highlights provided below are derived from these documents and should be read in conjunction with them. All amounts are in Canadian dollars, unless otherwise indicated. [View PDF version.](#)

Selected financial information:

	August 31, 2018	May 31, 2018	February 28, 2018	November 30, 2017
Net asset value (in thousands)	\$ 609,302	\$ 522,721	\$ 463,329	\$ 479,617
Net asset value per common share	\$ 4.41	\$ 3.79	\$ 3.50	\$ 3.62
U ₃ O ₈ spot price ⁽¹⁾ (US\$)	\$ 26.20	\$ 22.75	\$ 21.25	\$ 22.00
UF ₆ spot price ⁽¹⁾ (US\$)	\$ 79.85	\$ 67.00	\$ 62.00	\$ 62.00
Foreign exchange noon-rate (US\$ to CAD\$)	1.3055	1.2948	1.2809	1.2888

⁽¹⁾ Spot prices as published by Ux Consulting Company, LLC ("UxC").

Overall Performance

Total equity, or the value of the Corporation's assets minus its liabilities ("Net Asset Value" or "NAV"), increased by \$86.6 million during the three months ended August 31, 2018, due to the net gain recognized in the period. This equates to an increase in NAV per common share of \$0.62 during the quarter.

The net gain for three months ended August 31, 2018, of \$86.6 million, was primarily due to uranium related gains of \$85.4 million, other income of \$1.2 million, and foreign exchange income of \$0.3 million, offset by other operating expenses of \$1.5 million.

Unrealized net gains on investments in uranium, during the three months ended August 31, 2018, were caused by the increase in the spot price for uranium and the increase in the U.S. dollar to Canadian dollar exchange rates.

Operating expenses of \$1.5 million (excluding foreign exchange gains of \$0.3 million and other income of \$1.2 million) for the three months ended August 31, 2018, partially offset by income from lending and/or relocation of uranium of \$0.1 million, represented approximately 0.2% of the Corporation's NAV at August 31, 2018 and 0.3% of the NAV at February 28, 2018.

Current Market Conditions

The global nuclear power industry recently met at the World Nuclear Association's ('WNA') annual symposium in London, where the atmosphere reflected a more positive mood towards the uranium market in general – supported in large part by the continued production curtailments. Significantly, the announcement that [Cameco Corp.](#)'s ('Cameco') McArthur River mill has shut down indefinitely, removing up to 18 million pounds of U₃O₈ production from the market annually, has reaffirmed that uranium production will remain in a deficit to annual demand for the foreseeable future.

High levels of spot market purchasing, which have already exceeded 63 million pounds U₃O₈ for calendar 2018, have also contributed to the current market conditions.

contributed to the positive sentiment. Spot purchases have been made by a mix of utility buyers, traders, financial vehicles including UPC, and primary producers. Cameco, for example, has publicly confirmed its intent to purchase 9 to 11 million pounds of uranium in the spot market before the end of calendar 2019. UxC reported in September 2018 that a producer issued requests for proposals ('RFP') to purchase 500,000 lbs U₃O₈.

The positive market sentiment has been reflected in the uranium spot price, which ended the quarter at US\$26.20 per pound, up from US\$22.75 per pound at May 31, 2018. Subsequent to the end of the quarter, the spot price has continued to rise through the US\$27 per pound U₃O₈ threshold at the beginning of September 2018.

On the demand side, the ongoing investigation into the Section 232 trade petition filed in the United States continues to fuel a sentiment of uncertainty with US and global utilities. This uncertainty is believed to be contributing to the lack of positive momentum in the long-term contract price for uranium, despite the steady increase in the spot price.

The conversion market has also continued to strengthen in the recent months, following the shutdown of Honeywell's conversion facility in Metropolis, Illinois, and the closure of Orano Group's ('Orano') Comurhex conversion plant in France, transitioning to its new Philippe Coste conversion facility, which officially opened in September 2018, and which is expected to slowly ramp up production, not reaching full capacity until 2021.

The uranium industry was also impacted by other international market events. In France, where nuclear power plants account for roughly 75% of the country's energy generating capacity, a new energy and environment minister has been appointed following the sudden departure of Nicolas Hulot. His replacement, Francois de Rugy, has generally been reported to be more even-tempered regarding nuclear power policy than his predecessor – which is considered a positive development, as the French government is still reportedly seeking to reduce its nuclear capacity to 50% of electricity generation. The draft of a new law is expected this fall, which could clarify these goals. In addition, in Kazakhstan, the market is still waiting to see when National Atomic Company Kazatomprom's highly anticipated IPO will proceed, and how it will affect the uranium industry both domestically and globally.

Outstanding Share Data

At September 27, 2018, there were 138,060,713 common shares issued and outstanding. There are no stock options or other equity instruments issued and outstanding.

About Uranium Participation Corporation

[Uranium Participation Corp.](#) is a company that invests substantially all of its assets in uranium oxide in concentrates ("UO₂") and uranium hexafluoride ("UF₆") (collectively "uranium"), with the primary investment objective of achieving appreciation in the value of its uranium holdings through increases in the uranium price. Additional information about Uranium Participation Corporation is available on SEDAR at www.sedar.com and on [Uranium Participation Corp.](#)'s website at www.uraniumparticipation.com.

Cautionary Statement Regarding Forward-Looking Statements

Certain information contained in this press release constitutes forward looking statements or forward looking information. Forward looking statements can be identified by the use of forward looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "plan", "should", "believe" or "continue" or the negative thereof or variations thereon or similar terminology. In particular, this press release contains forward-looking information pertaining to expectations regarding the uranium market, uranium prices and supply and demand effects of recent industry and political announcements and the Corporation's investment objectives.

By their very nature, forward looking statements involve numerous factors, assumptions and estimates. A variety of factors, many of which are beyond the control of UPC, may cause actual results to differ materially from the expectations expressed in the forward looking statements. For a list of the principal risks of an investment in UPC, please refer to the "RISK FACTORS" section in the Corporation's Annual Information Form dated May 14, 2018 available under UPC's profile at www.sedar.com. These and other factors should be considered carefully, and readers are cautioned not to place undue reliance on these forward looking statements. Although management reviews the reasonableness of its assumptions and estimates, unusual and unanticipated events may occur which render them inaccurate. Under such circumstances, future performance may differ materially from that expressed or implied by the forward looking statements. Except where required under applicable securities legislation, the Corporation does not undertake to update any forward looking information.

SOURCE [Uranium Participation Corp.](#)

Contact

David Cates, President & Chief Executive Officer, (416) 979-1991 Ext. 362; Mac McDonald, Chief Financial Officer, (416) 979-1991 Ext. 242

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