

**Press Release**

FOR IMMEDIATE RELEASE

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**URANIUM PARTICIPATION CORPORATION REPORTS FINANCIAL RESULTS  
FOR THE QUARTER ENDED AUGUST 31, 2020**

TORONTO, September 24, 2020 - Uranium Participation Corporation ('UPC' or the 'Corporation') today filed its Financial Statements and Management's Discussion & Analysis ('MD&A') for the periods ended August 31, 2020. Both documents can be found on the Company's website ([www.uraniumparticipation.com](http://www.uraniumparticipation.com)) or on SEDAR ([www.sedar.com](http://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 noted.

Selected financial information:

	August 31, 2020	May 31, 2020	February 29, 2020	November 30, 2019
Net asset value (in thousands)	\$ 701,662	\$ 819,823	\$ 597,105	\$ 623,310
Net asset value per common share	\$ 5.16	\$ 6.00	\$ 4.32	\$ 4.51
U <sub>3</sub> O <sub>8</sub> spot price <sup>(1)</sup> (US\$)	\$ 30.65	\$ 34.00	\$ 24.70	\$ 26.00
UF <sub>6</sub> spot price <sup>(1)</sup> (US\$)	\$ 98.25	\$ 102.50	\$ 85.95	\$ 89.90
Foreign exchange rate (US\$ to CAD\$)	1.3042	1.3787	1.3429	1.3289

<sup>(1)</sup> Spot prices as published by UxC, LLC ('UxC').

**Overall Performance**

The net loss for the three months ended August 31, 2020 was mainly driven by unrealized net losses on investments in uranium of \$117,417,000 and net operating expenses of \$2,048,000, slightly offset by realized gains on the sale of conversion components of \$3,459,000 and income from uranium lending and relocation arrangements of \$1,297,000.

Unrealized net losses on investments in uranium during the three months ended August 31, 2020 were mainly due to the decrease in the spot price of uranium. The spot price decreased during the quarter from US\$34.00 per pound U<sub>3</sub>O<sub>8</sub> and US\$102.50 per KgU as UF<sub>6</sub> at May 31, 2020 to US\$30.65 per pound U<sub>3</sub>O<sub>8</sub> and US\$98.25 per KgU as UF<sub>6</sub> at August 31, 2020, as well as the change in the U.S. dollar to Canadian dollar exchange rate, which decreased by 5% during the quarter.

Total equity decreased to \$701,662,000 at August 31, 2020, from \$819,823,000 at May 31, 2020.

Taken together, UPC's NAV per share decreased to \$5.16 at August 31, 2020, from \$6.00 at May 31, 2020.

**Uranium Sales**

During the three months ended August 31, 2020, the Corporation completed the sale of 100,000 pounds of U<sub>3</sub>O<sub>8</sub>, in two separate transactions, at a weighted average price of US\$32.63, for total cash consideration of \$4,425,000 (US\$3,263,000). The Corporation recorded a loss on sale of \$49,000, which was calculated as the difference between the cash proceeds received and the weighted average historical cost of the U<sub>3</sub>O<sub>8</sub>.

The majority of proceeds from the sale of the uranium were used to fund share repurchases under a Normal Course Issuer Bid filed in April 2020 ('2020 NCIB').

**Uranium Purchases**

During October 2019, the Corporation entered into a contract to purchase a total of 230,000 pounds of U<sub>3</sub>O<sub>8</sub> at an average price of US\$26.04. The transaction consisted of three tranches of 100,000 pounds of U<sub>3</sub>O<sub>8</sub>, 76,300 pounds of U<sub>3</sub>O<sub>8</sub>, and 53,700 pounds of U<sub>3</sub>O<sub>8</sub>, for delivery in October 2019, January 2020, and June 2020, respectively. During the three months ended August 31, 2020, the Corporation took delivery of the final tranche of 53,700 pounds of U<sub>3</sub>O<sub>8</sub> at a price of US\$26.64 per pound U<sub>3</sub>O<sub>8</sub>, resulting in an increase of \$1,957,000 (US\$1,431,000) in the Corporation's investments in uranium at the time of purchase.

## Sale of Conversion Components

During October 2019, the Corporation entered into commitments to sell the conversion components contained in 300,000 KgU as UF<sub>6</sub>. This transaction resulted in the exchange of 300,000 KgU as UF<sub>6</sub> for 783,856 pounds of U<sub>3</sub>O<sub>8</sub> and cash consideration of US\$6,087,000. The transaction consisted of three equal tranches of 100,000 KgU as UF<sub>6</sub> for delivery in January 2020, June 2020, and July 2020.

During the three months ended August 31, 2020, the Corporation completed the second and third tranches of this commitment, which resulted in the exchange of 200,000 KgU as UF<sub>6</sub> for 522,572 pounds of U<sub>3</sub>O<sub>8</sub> and cash consideration of \$5,522,000 (US\$4,058,000). The Corporation recorded a gain on sale of conversion components of \$3,459,000, which was calculated as the difference between the cash proceeds received and the historical costs of the conversion components.

## Uranium Location Swap Agreement

In June 2020, the Corporation entered into a location swap with an independent third party whereby the Corporation delivered 200,000 pounds of U<sub>3</sub>O<sub>8</sub> at the counterparty at a storage facility and received 220,000 pounds of U<sub>3</sub>O<sub>8</sub> at an alternate storage facility, including an exchange fee of 20,000 pounds of U<sub>3</sub>O<sub>8</sub>. In the three months ended August 31, 2020, the Corporation recorded income from the relocation swap of \$889,000 in income from uranium relocation, which was the fair value of the 20,000 pounds of U<sub>3</sub>O<sub>8</sub> received as consideration.

## NCIB Share Repurchases

In April 2020, the Corporation filed the 2020 NCIB notice with the TSX, which authorizes the Corporation to purchase up to 12,301,750 common shares of the Corporation during the 12-month period ending April 15, 2021. As at August 31, 2020, a total of 2,053,002 shares have been purchased under the 2020 NCIB at an average cost of \$4.94 per share for a total cash outflow of \$10,164,000, which includes brokers' commissions of \$21,000. The Corporation's Share Capital account has been reduced by \$3,867,000, which reflects the weighted average per share book value of the repurchased shares. The difference of \$6,297,000 between the cash outflow of \$10,164,000 for the share repurchases and the weighted average book value of the purchased shares of \$3,867,000 has been recorded as a reduction in contributed surplus. The Corporation also incurred \$25,000 in other share repurchase expenses related to the 2020 NCIB, which were recorded as a reduction to the Share Capital account.

## Current Market Conditions

The uranium price started the second quarter at US\$34.00 per pound U<sub>3</sub>O<sub>8</sub> and softened through the period. While the price remained relatively flat in June and July, trending between USD\$32.00 and USD\$33.50 per pound of U<sub>3</sub>O<sub>8</sub>, buying weakened as the end of July approached and on July 29, 2020 Cameco Corp. ('Cameco') announced that it would reopen its Cigar Lake mine in September 2020. Production from the Cigar Lake mine was temporarily suspended in March 2020 due to the COVID-19 pandemic. The market understood that the restart of the mine would be driven by commercial factors. Accordingly, the restart news surprised many market participants and moving into August 2020, the uranium price slowly fell from US\$32.20 at the beginning of the month, to US\$30.65 by month-end. While spot market purchasing in the quarter did remain strong relative to previous years, it has dipped significantly from the preceding quarter's volumes.

Earlier in July, National Atomic Company Kazatomprom ('Kazatomprom') indicated that it would extend the period of reduced operational activity at its mines, from the originally disclosed period of three months to four months. At that time, Kazatomprom anticipated gradually increasing staff levels, and production, at the beginning of August 2020, if it was deemed safe to do. Subsequent to that announcement, in August 2020, Kazatomprom announced that it would maintain its 20% production decrease from previously planned levels through calendar year 2022, with no additional production planned to replace volumes lost in 2020 due to the COVID-19-related reduction in operations. In addition, in August 2020, Kazatomprom also publicly confirmed that it has bought uranium in the spot market and may continue to do so through the rest of the calendar year. This buying activity has helped to stabilize general market sentiment.

Through the second quarter, the US Department of Commerce ('DOC') continued its negotiations with the Russian government and other interested parties on the Agreement Suspending the Antidumping Investigation on Uranium from the Russian Federation (also known as the Russian Suspension Agreement or the 'RSA'). The RSA established an annual quota, limiting the delivery of nuclear fuel into the US from Russia. This agreement is set to expire at the end of 2020. In September 2020, a draft amendment was announced that would extend the RSA until 2040 and reduce US reliance on uranium products over the next 20 years by (1) reducing Russian exports of the enrichment component from the current level of approximately 20% of US enrichment demand to an average of 17% over the 20 year period, and (2) limiting Russian uranium concentrates and conversion components contained in the enriched uranium product to an average equivalent of approximately 7% of US enrichment demand. The draft amendment has been released for public comment and the DOC is looking to finalize the amendment in October 2020.

There has been positive news regarding new reactor startups over the past quarter. The nuclear industry celebrated the startup of the United Arab Emirates' ('UAE') first nuclear power plant. On August 1, 2020 Emirates Nuclear Energy Corp ('ENEC') achieved initial criticality of its South Korean designed APR-1400 Barakah Unit 1, following fuel loading in March. On August 19, 2020 ENEC announced that Unit 1 had subsequently been connected to the electric power grid in the UAE. Unit 1 is the first of four to be started at the site. Unit 2 is now being prepared for commissioning, with the construction of Unit 3 now 93% complete, and Unit 4 at 86% completion.

While the UAE was celebrating its first nuclear reactor, China celebrated a nuclear program that continues to expand. On July 27, 2020, China National Nuclear Corp ('CNNC') reported that Unit 5 at its Tianwan Nuclear Power Plant attained initial criticality. This was followed by an announcement on September 9, 2020 that the power plant had entered commercial operation. Construction of the unit began in December 2015. Unit 6 at the site began construction in September 2016. Both are expected to attain full commercial operation before the end of 2021.

China added to this positive nuclear news when it was reported that its State Council approved the construction of two new nuclear power projects. This announcement comes after more than a year in which China granted no new nuclear power project approvals, and sees the country continue to follow its playbook of increasing infrastructure investment to boost the economy and employment, while improving future energy security amid escalating geopolitical tensions. The approved projects were Hainan Changjiang nuclear power plant phase 2 and Zhejiang San'ao nuclear power plant phase 1. Last year, China launched three new nuclear power plants in the provinces of Shandong, Fujian and Guangdong, which marked the end of a moratorium on new projects. In July 2020, it was reported that the China Nuclear Energy Association ('CNEA') said the country will build six to eight nuclear reactors a year between 2020 and 2025 and raise total capacity to 70 gigawatts ('GW'), up 43.5% from the capacity at the end of May 2020. The CNEA was also quoted as saying China's total installed nuclear capacity is expected to be 52 GW by the end of 2020 and that it would soon get back on track to bring total capacity either in operation or under construction to around 200 GW by 2035.

Russia also announced positive news, reporting on August 31, 2020 that State Atomic Energy Corporation Rosatom's ('Rosatom') Unit 2 of the Leningrad II plant successfully reached the minimum controlled power level, meaning that a controlled, self-sustaining reaction had begun in the new reactor. The reactor's commercial operation is set to begin in 2021.

Last summer the US nuclear industry gained a significant win when Ohio's state government passed legislation to provide a subsidy of up to \$150 million per year to keep the Davis-Besse and Perry nuclear plants operating in Ohio. In July 2020, however, bribery allegations were raised against Ohio's House Speaker and several close advisors related to the nuclear bailout legislation. It is unknown at this time how the operation of these nuclear units will be impacted by this development.

In August 2020, Exelon Corporation ('Exelon') announced its intention to retire its Dresden and Byron Generating Stations in the fall of 2021, despite being licensed for another decade, and 20 years, respectively. Exelon pointed to poorly conceived energy policies which favour fossil fuel plants and have made the plants uneconomic to run. Exelon made similar announcements regarding its Clinton and Quad Cities plants before winning subsidies in 2016 to keep them open, so the nuclear industry will continue to closely observe this stalemate.

Building on last year's announcement by the provincial governments of Saskatchewan, Ontario and New Brunswick, the province of Alberta has joined the group by signing on to the memorandum of understanding to support the development of versatile and scalable small modular reactors ('SMRs'). The Alberta government recognized the potential of the emerging technology to provide needed power to remote communities, to lower emissions and further diversify the province's energy sector. In particular, the government noted the potential use of SMRs within Alberta's oil sands industry, given that the projects are often very remote, off-grid, and require a lot of heat and power to operate.

Also in Canada, Ontario Power Generation's ('OPG') Darlington Nuclear Generating Station ('Darlington') reached a significant milestone with reconnection of the fully refurbished Unit 2 to Ontario's electricity grid. Unit 2 represents the first of Darlington's four units to be refurbished under a 10-year project which is expected to be completed in 2026 and is intended to extend the lives of the reactors by 30 years.

In September 2020, OPG announced that it had reached another major milestone with work commencing on the refurbishment of Darlington's Unit 3 following the unit's safe shutdown on July 30, 2020. In response to the COVID-19 pandemic, OPG postponed the commencement of the Unit 3 refurbishment from its scheduled start in May 2020.

In the US, Southern Company ('Southern') added itself to a growing list of US utilities to announce a commitment to a long-term reduction in greenhouse gas ('GHG') emissions to net-zero emissions by 2050. In recent years Southern has reduced its GHG emissions significantly and has set an interim target of a 50% reduction in GHG emissions from 2007 levels by 2030. The company has already successfully reduced its footprint and expects it could meet that target in advance of 2030, perhaps as early as 2025. Southern's ability to reach its goals will be enhanced by the completion of the two new nuclear units that the utility is building in Georgia – Vogtle Units 3 and 4 – which are projected for startup in November 2021 and November 2022, respectively.

As many industries were shut down under the strain of COVID-19 related problems, nuclear electricity generation around the globe remained steadfast, providing the secure, reliable, baseload electricity needed to drive key infrastructure. Building on this and other nuclear energy benefits, a growing dialogue has emerged which is focused on the role nuclear is clearly able to play in helping the world manage through COVID-19 today, and through the economic recovery in the months and years to come. The Organization for Economic Cooperation and Development's ('OECD') Nuclear Energy Agency ('NEA') has drawn further attention to these benefits through a series of policy briefs it recently published that examine nuclear energy's potential. These briefs focus on four areas: (1) nuclear energy's ability to provide cost-effective decarbonization of electricity systems; (2) the high value jobs created with nuclear energy projects; (3) creating policy frameworks within countries that unlock financing to incentivize investment in essential infrastructure that supports low-carbon electricity security; and (4) the importance of building a low-carbon, resilient electricity infrastructure with nuclear energy. Nuclear energy is well positioned to play a critical role in helping strengthen the world's economy as it emerges from COVID-19, while at the same time leveraging its benefits as a non-CO<sub>2</sub> emitting energy source to address ever growing climate concerns.

## **Outstanding Share Data**

At September 24, 2020, there were 136,007,711 common shares issued and outstanding. There are no stock options or other equity instruments issued and outstanding.

## **About Uranium Participation Corporation**

Uranium Participation Corporation is a company that invests substantially all of its assets in uranium oxide in concentrates ('U<sub>3</sub>O<sub>8</sub>') and uranium hexafluoride ('UF<sub>6</sub>') (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](http://www.sedar.com) and on Uranium Participation Corporation's website at [www.uraniumparticipation.com](http://www.uraniumparticipation.com).

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## **Cautionary Statement Regarding Forward-Looking Statements**

Certain information contained in this press release constitutes forward looking statements or forward looking information. These 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 the value and objectives of the Corporation's investments, purchases and sales; the NCIB; expectations regarding uranium spot prices and uranium market factors, including expectations regarding uranium production levels, reactor restarts, levels of uncommitted utility reactor requirements, anticipated market supply and demand, the development of new nuclear power projects, the potential impact of international trade actions, and other statements regarding the outlook for the uranium industry and market; and the ability to complete the transactions for which commitments have been made.

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 27, 2020 available under UPC's profile at [www.sedar.com](http://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 those expressed or implied by the forward looking statements. Except where required under applicable securities legislation, UPC does not undertake to update any forward looking information.

This press release also contains information relating to third parties, including regulatory agencies, companies and other industry participants, derived from third-party publications and reports which UPC believes are reliable but have not been independently verified by UPC.