

TORONTO, ONTARIO--(Marketwired - Oct 6, 2016) - [Uranium Participation Corp.](#) ("UPC" or the "Corporation") (TSX:U) today filed its Financial Statements and Management's Discussion & Analysis ("MD&A") for the period ended August 31, 2016. 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 noted.

Selected financial information:

	August 31, 2016	May 31, 2016	February 29, 2016
Net asset value (in thousands)	\$ 498,140	\$ 535,372	\$ 649,479
Net asset value per common share - basic and diluted	\$ 4.31	\$ 4.63	\$ 5.62
U ₃ O ₈ spot price ⁽¹⁾ (US\$)	\$ 25.25	\$ 27.25	\$ 32.15
UF ₆ spot price ⁽¹⁾ (US\$)	\$ 72.25	\$ 77.00	\$ 90.00
Foreign exchange noon-rate (US\$ to CAD\$)	1.3124	1.3100	1.3523

(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"), decreased by \$37.2 million during the three months ended August 31, 2016. This equates to a reduction in the NAV per common share of \$0.32.

The net loss for the three months ended August 31, 2016 of \$37.2 million, was primarily due to unrealized net losses on investments in uranium of \$35.7 million and operating expenses of \$1.5 million.

Unrealized net losses on investments in uranium, during the three months ended August 31, 2016, were caused by decreases in the spot prices, partly offset by the increase in the U.S. dollar to Canadian dollar exchange rate.

Operating expenses of \$1,515,000, partially offset by income from lending of uranium of \$35,000, for the three months ended August 31, 2016, represents approximately 0.2% of the NAV at February 29, 2016.

Current Market Conditions

Uranium prices continued to be under downward pressure over the course of the last six months, with prices reaching a high of USD\$32.15 per pound U₃O₈ on March 1, 2016 and then dropping to USD\$25.00 per pound U₃O₈ range by mid-July 2016. Uranium prices in 2011, prior to the Fukushima events, were in the range of USD\$70.00 per pound U₃O₈. Analysts point to continued increases in primary mine production (despite negative price signals) and excess secondary supplies as the reasons for persistent oversupply in the market. On the demand side of the equation, the slow pace of reactor restarts in Japan and relatively low levels of utility contracting have failed to provide the conditions for a sustained rally in prices off of levels not seen since 2005. The low level of current contracting volumes, however, is expected to become a positive driver as substantial levels of utility reactor requirements remain uncommitted in future years. The contracting cycle that usually precedes the arrival of a period of significant unfilled requirements should rapidly bring the supply and demand conditions back into balance, and potentially into a sustained period of shortfall. The potential for shortfall exists in the fact that the lead times required for new mine production are extremely long in the uranium sector, and that an extended period of low prices has not incentivized the required investment needed to advance new projects.

The broader fundamentals of the nuclear energy market continue to be positive and stand in stark contrast to the near term uranium price weakness. Presently, 447 reactors are operable around the world with 59 under construction and an additional 168 units firmly planned or ordered. The ten new reactors connected to the grid globally in 2015 resulted in a net gain of almost 5,000 Mwe of installed nuclear capacity - which represents the highest annual growth in capacities in the past 25 years. This growth is being driven largely by the emerging markets of China, India, South Korea and Russia, however, the more traditional, developed markets are also building new reactors. The United Kingdom is advancing major new nuclear power projects on multiple sites and the U.S. added one unit to its fleet in 2016 with four more currently under construction. The need for large amounts of reliable baseload electricity, environmental concerns around carbon emissions, and crisis level air pollution, are driving decision makers increasingly towards nuclear energy. Even with significant competition from heavily subsidized renewables and low natural gas prices, the need for grid-stabilizing, base load, nuclear power should continue to be recognized and valued in the global energy mix. With global nuclear energy capacities expected to grow between two and three percent each year for the next decade and beyond, the long term outlook for the uranium market remains positive.

About Uranium Participation Corporation

[Uranium Participation Corp.](#) is a company that invests substantially all of its assets in uranium oxide in concentrates ("U₃O₈") 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

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 expectations regarding uranium spot prices and uranium market factors, including expectations regarding reactor restarts, levels of uncommitted utility reactor requirements, anticipated contracting cycle and market supply and demand, the development of new nuclear power projects and other statements regarding the outlook for the uranium industry and market. .

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 11, 2016 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 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.

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