

TORONTO, Nov. 11, 2015 /CNW/ - [Uranium One Inc.](#) ("Uranium One") today reported quarterly headline revenue of \$84.1 million for Q3 2015. Attributable revenue⁽²⁾ was \$120.3 million for Q3 2015, including joint venture revenue, based on sales of 2.9 million pounds of produced material⁽¹⁾ at an average realized sales price of \$36 per pound sold of produced material⁽²⁾ with an average cash cost per pound sold of produced material⁽²⁾ at \$10 per pound. Attributable production for the quarter was 3.1 million pounds.

Q3 2015 Highlights

Operational

- Total attributable production⁽¹⁾ during Q3 2015 was 3.1 million pounds, compared with total attributable production⁽¹⁾ of 1.6 million pounds during Q3 2014.⁽⁶⁾
- The average total cash cost per pound sold of produced material⁽²⁾ was reduced to \$10 per pound during Q3 2015, compared with \$13 per pound for Q3 2014.

Financial

- Attributable sales volumes of produced material⁽¹⁾ for Q3 2015 were 2.9 million pounds sold from the Corporation's operations and joint ventures, compared to 2.6 million pounds sold during Q3 2014.
- Headline revenue was \$84.1 million in Q3 2015, compared to \$43.6 million in Q3 2014.
- Attributable revenues⁽²⁾ consistent with the Corporation's segment reporting, which includes revenues from its interests in joint ventures, amounted to \$120.3 million in Q3 2015, compared to \$118.3 million in Q3 2014.
- The average realized sales price of produced material⁽²⁾ during Q3 2015 was \$36 per pound, compared to \$29 per pound in Q3 2014. The average spot price in Q3 2015 was \$36 per pound compared to \$32 per pound in Q3 2014.
- Gross profit, including the Corporation's attributable share of gross profit from joint ventures, totaled \$51.2 million in Q3 2015, increased by 60% mainly due to a decrease of 37% in the operating expenses, an increase of 24% in average realized sales price and an 11% increase in the sales volume, the optimization of general and administrative costs and the restructuring of the Corporation's operations.
- The net earnings for Q3 2015 were \$0.6 million or \$0.0006 per share, compared to net losses of \$10.8 million or \$0.01 per share for Q3 2014.
- The adjusted net earnings for Q3 2015 were \$13.2 million or \$0.01 per share after exclusion of non-recurring income tax expense of \$11.2 million, other expenses of \$0.9 million and net foreign exchange loss of \$0.5 million, compared to an adjusted net loss of \$12.7 million or \$0.01 per share for Q3 2014.

Corporate

- On August 14, 2014, Uranium One's US subsidiary executed an asset purchase agreement to sell the US Conventional Assets, consisting of the Shootaring Canyon Mill ("Shootaring Mill") in Utah and including its conventional uranium exploration properties in Utah, Arizona and South Dakota, to [Anfield Resources Inc.](#) The sale was closed on August 27, 2015 and the surety bond associated with the mill was returned on October 5, 2015. Uranium One and Anfield are working together to complete the post-closing conditions for the transaction, including the final transfer of the mill license, which is subject to a public comment period.
- On August 31, 2015, Uranium One entered into a Share Sale and Purchase Agreement with Boss Resources Limited, whereby Boss would acquire 100% of the issued share capital of Uranium One Australia Pty Ltd. the owner of the Honeymoon Uranium Project. Completion of the sale, which is subject to certain conditions precedent, is proceeding and is expected to occur before the year end.
- In order to improve its balance sheet and its debt portfolio, Uranium One on September 24th, 2015 purchased \$29.6 million of the principal amount of its Senior Secured Notes at a price of \$920 per \$1,000 of face value pursuant to a tender offer. The total amount of the transaction was \$27.9 million, including \$0.5 million of accrued interest and legal fees of \$0.2 million. Uranium One financed the purchase with a loan of \$50 million provided by an affiliate, bearing interest at a rate of 6.15% per annum and due on June 30, 2020. The Senior Secured Notes so purchased have not been retired and remain outstanding.

Q3 2015 Operational Highlights and Projects Summary

During Q3 2015, Uranium One achieved attributable production of 3.1 million pounds, an increase of 50% over attributable production of 1.6 million pounds for the comparable period in 2014.⁽⁶⁾

TOTAL ATTRIBUTABLE PRODUCTION Q3 2015 Q3 2014

Attributable commercial production (lbs)

Akdala ⁽³⁾	453,700	-
South Inkai ⁽³⁾	937,500	-
Karatau	672,000	660,300
Akbastau	516,100	558,800
Zarechnoye	270,400	275,800
Kharasan ⁽³⁾	217,900	-
Willow Creek	(500)	133,100
Total attributable production (lbs)	3,067,100	1,628,000

The production levels at these facilities remain stable and the financial statements, as well as the accompanying Operating and Financial Review, are available for review at www.uranium1.com and should be read in conjunction with this news release. All figures are in U.S. dollars unless otherwise indicated. All references to pounds sold or pounds purchased are to pounds of U₃O₈.

Q3 2015 Financials

FINANCIAL	Q3 2015	Q3 2014	YTD	YTD
			Q3 2015	Q3 2014
Attributable production (lbs) ⁽¹⁾	3,067,100	1,628,000	9,285,900	7,451,700
Attributable sales (lbs) ⁽¹⁾ – Produced material	2,890,100	2,604,200	7,784,600	8,617,700
Average realized sales price (\$ per lb) ⁽²⁾ – Produced material	36	29	37	32
Average total cash cost per pound sold (\$ per lb) ⁽²⁾ – Produced material	10	13	13	13
Revenues (\$ millions) – as reported on consolidated income statement	84.1	43.6	252.9	154.2
Attributable revenues (\$ millions) ⁽²⁾	120.3	118.3	362.8	322.4
Gross profit (loss) (\$ millions) – as reported on consolidated income statement	2.7	(4.0)	1.3	(5.6)
Attributable gross profit (\$ millions) ⁽²⁾	51.2	32.0	113.7	85.6
Net earnings (loss) (\$ millions)	0.6	(10.8)	9.9	(108.4)
Net earnings (loss) per share – basic and diluted (\$ per share)	0.00	(0.01)	0.01	(0.11)
Adjusted net earnings (loss) (\$ millions) ⁽²⁾	13.2	(12.7)	2.5	(76.8)
Adjusted net earnings (loss) per share – basic (\$ per share) ⁽²⁾	0.01	(0.01)	0.00	(0.08)

About Uranium One

Uranium One is one of the world's largest uranium producers with a globally diversified portfolio of assets located in Kazakhstan, the United States, Australia and Tanzania. ROSATOM State Atomic Energy Corporation, through its affiliates, owns 100% of the outstanding common shares of Uranium One.

For further information about Uranium One, please visit www.uranium1.com

Notes:

- (1) Attributable production pounds and attributable sales pounds are from assets owned and from joint ventures in commercial production during the period.
- (2) Uranium One has included the following non-GAAP performance measures: average realized sales price per pound – produced material, average total cash cost per pound sold – produced material, attributable revenues, attributable gross profit, adjusted net earnings (loss) and adjusted net earnings (loss) per share. See the section on "Non-GAAP Measures" in the operating and financial review attached to the interim consolidated financial statements of the Corporation for the three months and nine months ended September 30, 2015.
- (3) Represents production up to and including June 3, 2014, and from and including October 18, 2014. Although Betpak Dala LLP and Kyzyilkum LLP lost the rights to produce uranium from the Akdala, South Inkai and Kharasan mines effective as of the dismissal of their appeal on June 4, 2014, they entered into agreements to provide mine development, extraction and processing services to Kazatomprom with respect to those mines. These service agreements provided for the continuation of normal business operations at these mines and were designed to ensure that the economic return to the joint ventures from existing operations was not affected in the period prior to the acquisition of subsoil use rights for the Akdala and South Inkai mines by SMCC and for the Kharasan mine by Khorasan-U. Uranium One and Kazatomprom also signed a definitive uranium offtake agreement ensuring the continuity of deliveries to Uranium One and its customers during this period.
- (4) Attributable production pounds and attributable sales pounds are from assets owned and from joint ventures in commercial production during the period.
- (5) The Corporation has included the following non-GAAP performance measures: average realized sales price per pound – produced material, average total cash cost per pound sold – produced material, attributable revenues, attributable gross profit, adjusted net earnings (loss) and adjusted net earnings (loss) per share. See the section on "Non-GAAP Measures".
- (6) From June 4, 2014 to September 30, 2014, the Corporation did not recognize production from the Akdala, South Inkai and Kharasan mines, due to the loss of subsoil rights to produce uranium at those mines. The Corporation's attributable production would have been 3.1 million pounds for the third quarter of 2014 if these rights had not been lost. Subsequent to Q3 2014, subsoil use rights to the Akdala, South Inkai and Kharasan fields were re-issued.

Cautionary Statements

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

Forward-looking statements include but are not limited to those with respect to, the price of uranium, the estimation of mineral resources and reserves, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, market conditions, corporate plans, objectives and goals, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, the timing and potential effects of proposed transactions, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the possibility of sanctions that may be imposed on the Corporation, its shareholders, affiliates or third parties with which the Corporation deals, that may have a material adverse effect on the Corporation's ability to carry on its business or perform its contractual obligations, the future steady state production and cash costs of Uranium One, the actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, possible variations in grade and ore densities or recovery rates, failure of plant, equipment or processes to operate as anticipated, possible changes to the tax code in Kazakhstan, accidents, labour disputes or other risks of the mining industry, delays in obtaining government approvals or financing or in completion of development or construction activities, risks relating to the completion of transactions, integration of acquisitions and the realization of synergies relating thereto, to international operations, to prices of uranium as well as those factors referred to in the section entitled "Risk Factors" in Uranium One's Operating and Financial Review for the year ended December 31, 2014. Although Uranium One has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward-looking statements. Uranium One expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities laws.

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