

# Uranium Participation Corp. Reports Financial Results for the Quarter Ended November 30, 2019

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TORONTO, Jan. 9, 2020 - [Uranium Participation Corp.](#) ('UPC' or the 'Corporation') today filed its Financial Statements and Management's Discussion & Analysis ('MD&A') for the period ended November 30, 2019. 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. View PDF Version.

Selected financial information:

	November 30, 2019	August 31, 2019	May 31, 2019	February 28, 2019
			2019	
Net asset value (in thousands)	\$ 623,310	\$ 607,003	\$ 587,731	\$ 655,778
Net asset value per common share	\$ 4.51	\$ 4.40	\$ 4.26	\$ 4.75
U <sub>3</sub> O <sub>8</sub> spot price <sup>(1)</sup> (US\$)	\$ 26.00	\$ 25.30	\$ 24.10	\$ 28.00
UF <sub>6</sub> spot price <sup>(1)</sup> (US\$)	\$ 89.90	\$ 86.00	\$ 80.50	\$ 87.00
Foreign exchange rate (US\$ to CAD\$)	1.3289	1.3295	1.3527	1.3169

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

## Overall Performance

The net gain for the three months ended November 30, 2019 was mainly driven by unrealized net gains on investments in uranium of \$17,643,000, slightly offset by net operating expenses of \$1,472,000.

Unrealized net gains on investments in uranium during the three months ended November 30, 2019 were mainly due to the increase in the spot price of uranium. The spot price increased during the quarter from US\$25.30 per pound U<sub>3</sub>O<sub>8</sub> and US\$86.00 per KgU as UF<sub>6</sub> at August 31, 2019 to US\$26.00 per pound U<sub>3</sub>O<sub>8</sub> and US\$89.90 per KgU as UF<sub>6</sub> at November 30, 2019.

UPC's NAV per share decreased to \$4.51 at November 30, 2019, from \$4.75 at February 28, 2019.

## Current Market Conditions

The uranium spot price at the end of the fiscal quarter ended November 30, 2019 was US\$26.00 per pound U<sub>3</sub>O<sub>8</sub>, an increase of US\$0.70 per pound during the quarter, with the spot price trading within a narrow band of roughly US\$2.00 per pound throughout the quarter.

Both spot and long-term uranium purchasing activity increased slightly during the quarter following a decision in the United States ('US'), during the last fiscal quarter, that no trade actions would be implemented after the investigation into the trade petition launched under Section 232 of the Trade Expansion act of 1962. The US Administration, however, ordered a further review of the nuclear supply chain in the US and commissioned the Nuclear Fuel Working Group ('NFWG') with a mandate to make 'recommendations to further enable domestic nuclear fuel production, if needed.' News reports have indicated that the NFWG report has been submitted to the US Administration for review and finalization, after an extension to the original mandate period. The continued uncertainty surrounding the outcome of the NFWG mandate is believed to have tempered the uranium purchasing activities of nuclear utilities, especially in the US.

In 2015, the US entered into the Joint Comprehensive Plan of Action with Iran, commonly known as the Iran Nuclear Deal. As part of the Iran Nuclear Deal, the US Administration issued waivers to certain of Iran's trading partners, allowing certain foreign companies, including Russian entities, to work with Iran on its civilian nuclear programs. In 2018, the US withdrew from the Iran Nuclear Deal, but the US Administration continued to renew these waivers until recently, when one of the waivers, related to work being conducted by foreign companies at Iran's Fordow Fuel Enrichment Plant, was terminated effective December 15, 2019. This decision has raised concern among market participants that the remaining waivers may also be revoked if tensions continue to escalate between the US and Iran. One of the waivers relates to the Bushehr Nuclear Power Plant, which is being developed with Russia's involvement. If further waivers are withdrawn and Russia continues its work in Iran, Russia could face sanctions in the US, which could have an impact on deliveries of Russian nuclear fuel to US utilities – an outcome that could have a considerable impact to the supply side of the uranium market. The uncertainty caused by the potential revocation of the waivers represented a significant supply-side development during the quarter, and is believed to have caused various nuclear fuel cycle participants to enter the market looking to mitigate this risk by entering into nuclear fuel purchases that could provide back-up if any issues arise with Russian nuclear fuel supply.

On the demand side, there were several positive announcements through the quarter. Of significant importance, European Union ('EU') leaders agreed that nuclear energy must be included as part of the solution required to meet the EU's goal of becoming carbon neutral by 2050. This "European Green Deal" officially acknowledged the importance of nuclear energy in meeting the EU's comprehensive climate action goals.

In Japan, Tohoku Electric's Unit 2 of the Onagawa nuclear plant was the latest to gain restart approval by the country's Nuclear Regulatory Authority ('NRA'). The utility still has safety upgrades to make before the plant restarts and approval will be formalized only following a one-month public comment period. Onagawa is home to three reactors, with plans underway to decommission Unit 1, and a decision still pending as to whether the utility will seek NRA approval to restart Unit 3.

India continued to demonstrate its commitment to increase its use of nuclear energy, indicating that the government has given administrative and financial support to build an additional 12 new reactors with a capacity of 9,000 MWe. The government's Union Minister for Atomic Energy, Jitendra Singh, confirmed that there are currently 9 reactors under construction in India, with 'pre-project' activities underway for these 12 new builds.

Mexico's nuclear utility the Federal Electricity Commission ('CFE') is also considering building four new reactors, to add to its existing two units at Laguna Verde. CFE shared its plans to present a feasibility study to management and the government in 2020. The study will examine a project to build 1,400 MWe reactors, with an estimated cost of US\$7 billion each. The CFE noted that while the capital cost related to this project are high, the operating costs of the plant will be low, in direct contrast to conventional fossil fuel generated power plants.

With the longer-term future of nuclear in mind, the Canadian provincial governments of Ontario, New

Brunswick, and Saskatchewan demonstrated support for future nuclear new builds. The premiers of these provinces announced that they had joined efforts to collaborate on advancing small modular reactor ('SMR') technologies. The leaders see SMR's as a practical solution to help curb carbon emissions, move away from coal-fired generation, and create an opportunity for new economic growth in the provinces.

Finally, on the demand side, Florida Power & Light's Turkey Point units 3 and 4 received approval for an additional 20 years of operating life from the US Nuclear Regulatory Commission ('NRC'). The additional renewal will take the reactors to a total of 80 years of operating life – the longest license ever issued by the NRC. Turkey Point 3 and 4 are now licensed to operate to July 19, 2052 and April 10, 2053, respectively.

#### Outstanding Share Data

At January 9, 2020, 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 ('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 Corp.](http://www.uraniumparticipation.com)'s website at [www.uraniumparticipation.com](http://www.uraniumparticipation.com).

#### 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 of the Corporation's investments and 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.

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 6, 2019 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.

SOURCE [Uranium Participation Corp.](#)

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