

Uranium Participation Corp. Reports Estimated Net Asset Value, Uranium Sales, Uranium Loans and Share Purchases at May 31, 2020

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TORONTO, June 4, 2020 - [Uranium Participation Corporation](#) ("UPC") (TSX:U) reports its estimated net asset value at May 31, 2020 was CAD\$819.9 million or CAD\$6.00 per share. As at May 31, 2020, UPC's uranium investment portfolio consisted of the following: [View PDF version](#).

(in thousands of Canadian dollars, except quantity amounts)	Fair Value	Quantity
Investments in Uranium:		
Uranium oxide in concentrates ("U ₃ O ₈ ")	\$5,729,486	lbs
Uranium hexafluoride ("UF ₆ ")	\$3,407,900	KgU
	\$ 814,276	
U ₃ O ₈ fair value ¹ per pound:		
- In Canadian dollars ¹	\$ 46.88	
- In United States dollars	\$ 34.00	
UF ₆ fair value ¹ per KgU:		
- In Canadian dollars ¹	\$ 141.32	
- In United States dollars	\$ 102.50	
¹ Fair values are month-end spot prices published by Ux Consulting Company, LLC, translated at the Bank of Canada's month-end daily exchange rate of \$1.3787.		

On the last trading day of May 2020, the common shares of UPC closed on the TSX at a value of CAD\$5.12, which represents a 14.67% discount to the net asset value of CAD\$6.00 per share.

On April 14, 2020, UPC announced that it had received approval from the TSX to acquire for cancellation, by way of a normal course issuer bid ('NCIB'), up to 12,301,750 common shares of the Corporation, during the period from April 16, 2020 to April 15, 2021.

During May 2020, the Corporation repurchased, for cancellation, 901,864 common shares at a weighted average price of CAD\$4.94 for a total purchase price of CAD\$4,455,000. Of these shares, 569,514 shares were purchased and held by UPC's broker at the end of May 2020, but had not yet been transferred to UPC for cancellation. Accordingly, the Corporation's estimated net asset value at May 31, 2020 includes a liability of \$2,808,000 related to the trades yet to be settled and its issued and outstanding shares has not be reduced for the shares yet to be cancelled. As the trades settle in early June 2020, the shares are cancelled.

The share repurchase reported for the month of May 2020 were financed through a combination of existing working capital and the sale of 100,000 pounds of U₃O₈ at a weighted average purchase price of USD\$33.48

per pound, for estimated gross proceeds of CAD\$4,713,000. The 100,000 pounds U₃O₈ sold in May includes a 50,000 pound U₃O₈ sale transaction entered into on April 30, 2020 and reported in the Company's April 2020 press release.

The net asset value per share of CAD\$6.00 has been calculated using a pro forma issued and outstanding share amount of 136,688,311, which reflects the Corporation's issued and outstanding shares at May 31, 2020, less the 569,514 shares which were held for cancellation.

In addition, during the month of May, the Corporation entered into a fully collateralized short-term uranium lending agreement whereby UPC loaned 500,000 pounds of U₃O₈ to a counterparty for a monthly loan fee of USD\$100,000. The total fees to be earned over the term of the arrangement is anticipated to be USD\$400,000.

As previously reported (in UPC's news release dated November 14, 2019), UPC has entered into commitments to sell the conversion component contained in 300,000 KgU as UF₆ ("Conversion Sale") and to purchase a total of 230,000 pounds of U₃O₈ ("Uranium Purchase"). The Conversion Sale will result in the exchange of 300,000 KgU as UF₆ for 783,856 pounds of U₃O₈ and cash consideration of USD\$6,087,000, and will occur in three equal tranches of 100,000 KgU as UF₆ for delivery in January 2020, June 2020, and July 2020. The Uranium Purchase involves the acquisition of three tranches of 100,000 pounds U₃O₈, 76,300 pounds U₃O₈, and 53,700 pounds U₃O₈, for delivery in October 2019, January 2020, and June 2020, respectively, at an average price of USD\$26.04. In October 2019, UPC took delivery of the first tranche of 100,000 pounds U₃O₈. In January 2020, the first Conversion Sale was completed which resulted in an exchange of 100,000 KgU as UF₆ for 261,285 pounds of U₃O₈, and UPC also took delivery of the Uranium Purchase's second tranche of 76,300 pounds U₃O₈.

Following the completion of the various uranium transactions described above, UPC expects to hold a total of 16,138,372 pounds U₃O₈, and 400,000 KgU as UF₆. The completion of these transaction is also expected to result in a net cash inflow of USD\$2,927,000 during the second quarter of fiscal 2021.

About Uranium Participation Corporation

[Uranium Participation Corp.](http://www.uraniumparticipation.com) 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. UPC provides investors with a unique opportunity to gain exposure to the price of uranium without the resource or project risk associated with investing in a traditional mining company. Additional information about Uranium Participation Corporation is available on SEDAR at www.sedar.com and on UPC's website at www.uraniumparticipation.com.

Caution Regarding Forward-Looking Information

This press release contains certain forward-looking statements and forward-looking information that are based on UPC's current internal expectations, estimates, projections, assumptions and beliefs. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intent", "estimate", "anticipate", "plan", "should", "believe" or "continue" or the negative thereof or variations thereon or similar terminology and include statements with respect to the NCIB and UPC's plans with respect thereto; UPC's investment objectives, its uranium holdings, the transactions entered into with third parties, and agreements with respect thereto.

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 statement. These factors include, but are not limited to, changes in commodity prices and foreign exchange as well as the risk that UPC will not obtain the anticipated benefits of its agreements with third parties. For a description of the principal risks of UPC, see "Risk Factors" in UPC's Annual Information Form dated May 27, 2020 for the fiscal year ended February 29, 2020, a copy of which is available 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 statement.

SOURCE [Uranium Participation Corp.](#)

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