

TORONTO, ONTARIO--(Marketwired - Apr 6, 2017) - [Uranium Participation Corp.](#) ("UPC" or the "Corporation") (TSX:U) today filed its Financial Statements and Management's Discussion & Analysis ("MD&A") for the year ended February 28, 2017. 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:

	February 28, 2017	February 29, 2016
Net asset value (in thousands)	\$ 462,345	\$ 649,479
Net asset value per common share	\$ 3.83	\$ 5.62
U3O8 spot price ⁽¹⁾ (US\$)	\$ 22.25	\$ 32.15
UF6 spot price ⁽¹⁾ (US\$)	\$ 64.00	\$ 90.00
Foreign exchange noon-rate (US\$ to CAD\$)	1.3248	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 \$187.1 million during the year ended February 28, 2017. This equates to a reduction in the NAV per common share of \$1.79.

The net loss for year ended February 28, 2017, of \$206.0 million, was primarily due to unrealized net losses on investments in uranium of \$201.9 million and operating expenses, partially offset by income from lending and/or relocation of uranium, of \$4.2 million.

Unrealized net losses on investments in uranium, during the year ended February 28, 2017, were caused by decreases in the spot prices of U3O8 and UF6 and a decrease in the U.S. dollar to Canadian dollar exchange rate.

Operating expenses of \$5.0 million, partially offset by income from lending and/or relocation of uranium of \$0.8 million, for the year ended February 28, 2017, represents approximately 0.9% of the Corporation's NAV at February 28, 2017 and 0.6% of the NAV at February 29, 2016.

Current Market Conditions

In fiscal 2017, the uranium industry continued to face challenges as uranium prices endured their sixth consecutive year of bear market conditions, which emerged following the Fukushima incident in March 2011. The uranium spot price dropped 44% during the fiscal year, starting out at US\$32.15 per pound U3O8 at the beginning of the fiscal year, hitting a 12-year low of US\$18.00 per pound U3O8 in November 2016 and recovering slightly to US\$22.25 per pound U3O8 at fiscal 2017 year end in February 2017.

Ten nuclear reactors were added to the global grid during the 2016 calendar year, exceeding the mark set in 2015 for the highest rate of growth of nuclear power capacities in the past 25 years. The World Nuclear Association ("WNA") reports that 447 reactors are operable in 30 countries as of March 2017. These reactors generate 392 gigawatts of electricity and supply over 11.5% of the world's electrical requirements. Currently, 59 nuclear reactors are under construction in 14 countries. Additionally, based on the most recent statistics from the WNA, there are a total of 164 reactors that are either on order or planned, and a further 350 reactors currently proposed to be built in the coming years.

The Japanese recovery, while slow and deliberate, now has 12 units approved by regulators for restart and as many as seven reactors could be back on-line by the end of 2017. Although slower than expected - six years having elapsed from the events of Fukushima - the progress is viewed as a positive development for both market fundamentals and sentiment in the uranium industry.

The world's fleet of operating reactors, and those nearing construction completion, are now expected to generate a cumulative fuel requirement of 190 million pounds of U3O8 in 2017. While the demand for uranium is fairly steady and predictable, the procurement decisions of utility companies can vary based on the level of current contract coverage, existing inventories, forecasts of future prices and risk tolerance. The previous contracting cycle, brought on by uranium price spikes in 2007 and 2010, resulted in utilities rushing to contract at higher prices and for very long terms. While these old contracts are expiring, the utilities have not been moving to replace their forward coverage, resulting in uncommitted needs continuously building. UxC reports that these unfilled needs total approximately 810 million pounds of U3O8 over the coming ten years and over 75% of expected reactor requirements are uncovered by 2025.

According to UxC, in their Uranium Market Outlook - Q1 2017 (the "Q1 Outlook"), global uranium production amounted to 163

million pounds in the year ended December 2016. While this continued the trend of recent annual uranium production increases in the face of low prices, the rate of increase has finally slowed and would support observations that a "peaking" of mine production is occurring. A number of high profile production cutbacks have been announced, including Cameco's Saskatchewan and U.S. operations, Paladin's Namibian Langer Heinrich mine and Kazakhstan's 10% reduction in output, all pointing in that direction. Going forward, it is reasonable to expect further global production cutbacks as higher priced legacy supply contracts, signed in previous cycles, are expiring and ceasing to provide protection for sources of higher-cost production. Furthermore, the incentive price for meaningful new uranium production (new developments or mine expansions) to come to the market is estimated by BMO, in their March 2017 uranium market outlook, to be higher than US\$60 per pound U3O8. This, and the prolonged licensing and permitting process required to bring on new production (as much as 10 years or more for a major conventional mine/mill complex), make for an interesting situation as the uranium market is expected to move into a near term supply deficit amidst higher contracting volumes.

In the early part of calendar 2017, uranium has bucked the trend of other commodities and spot prices have increased on the improved fundamentals noted above. The spot price climbed from US\$20.50 per pound U3O8 at the start of 2017 to a peak of US\$26.50 per pound U3O8 in mid-February 2017. Although the price retreated briefly by the end of February to US\$22.50 per pound U3O8, it has since recovered to US\$23.50 per pound U3O8 as of April 3, 2017. The market is beginning to see increased off-market and public tenders from end-users (including meaningful demand from non-US utilities), and market observers will watch to see if this develops into a trend for the rest of the year. As noted above, the substantial level of uncommitted uranium requirements in the coming years would point to not "if" but "when" that procurement cycle will return to the market to test the supply dynamics of an industry that has failed to be incentivized to develop the next generation of uranium mines.

Subsequent event

On March 29, 2017, the counterparty to a relocation agreement entered into by UPC, filed for Chapter 11 bankruptcy protection in the United States of America. Pursuant to this agreement, 300,000 KgU as UF6, which is contained in enriched uranium product ("EUP"), owned by the Corporation, is currently being held at this organization's storage facility. The Corporation continues to hold title to the UF6 that is stored at this facility and pursuant to the terms of the relocation agreement, the counterparty is not permitted to transfer, sell, or assign the EUP containing the Corporation's UF6 to any person. As at February 28, 2017, trade and other receivables included \$64,000 of unbilled income related to the relocation of uranium. For the three months ended March 31, 2017, US\$74,000 was billed and is payable within 30 days.

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 Corporation is available on SEDAR at www.sedar.com and on [Uranium Participation Corp.](#)'s website at 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 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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