

News Release

August 12, 2016

Toronto, Ontario

Uranium One Announces Q2 2016 Production of 3.1 Million Pounds with Improved Profitability at an Average Total Cash Cost of \$11 per Pound Sold

Uranium One Inc. (“Uranium One”) today reported quarterly headline revenue of \$127.3 million for Q2 2016. Attributable revenue was \$137.5 million for Q2 2016 based on sales of 4.2 million pounds of produced material at an average realized sales price of \$31 per pound sold of produced material, with an average cash cost per pound sold of produced material at \$11 per pound. Attributable production for the quarter was 3.1 million pounds.

Q2 2016 Highlights

Operational

- Total attributable production during Q2 2016 was 3.1 million pounds, compared to 3.2 million pounds during Q2 2015.
- The average total cash cost per pound sold of produced material reduced to \$11 per pound during Q2 2016, compared to \$14 per pound during Q2 2015.

Financial

- Attributable sales volume of produced material for Q2 2016 was 4.2 million pounds sold, compared to 3.2 million pounds sold during Q2 2015.
- Headline revenue was \$127.3 million in Q2 2016, compared to \$111.0 million in Q2 2015.
- Attributable revenues consistent with the Corporation’s segment reporting amounted to \$137.5 million in Q2 2016, compared to \$165.0 million in Q2 2015.
- The average realized sales price of produced material during Q2 2016 was \$31 per pound, compared to \$37 per pound in Q2 2015. The average spot price in Q2 2016 was \$27 per pound compared to \$37 per pound in Q2 2015.
- Gross profit, including the Corporation’s share of gross profit from equity accounted investees, totaled \$50.5 million in Q2 2016, a 23% increase compared to \$41.1 million in Q2 2015, mainly due to an increase of 32% in sales volume, partly offset by a decrease of 16% in average realized sales price.

- The net earnings for Q2 2016 were \$24.5 million or \$0.03 per share, compared to net earnings of \$21.6 million or \$0.02 per share for Q2 2015.
- The adjusted net earnings for Q2 2016 were \$47.8 million or \$0.05 per share after exclusion of other income of \$9.3 million, inventory valuation adjustment of \$21.4 million, impairment of non-current assets of \$4.9 million and net foreign exchange loss of \$6.3 million, compared to an adjusted net earnings of \$7.8 million or \$0.01 per share for Q2 2015.
- In addition to the increase in sales volume during the quarter, improved profitability resulted from a reduction in General and Administrative costs and from other cost reduction initiatives.

Corporate Matters

- On June 29, 2016, the Corporation closed the tender offer for, and accepted for purchase, \$60.5 million of the principal amount of the Senior Secured Notes at a price of \$1,000 per \$1,000 of face value. The total amount of the transaction was \$60.8 million including \$0.3 million of accrued interest, as well as legal and transaction fees. The Senior Secured Notes so purchased are held by the Corporation and have not been retired and remain outstanding. The settlement of the tender offer was completed on July 7, 2016.
- On July 12, 2016, the Corporation entered into a loan facility agreement under which it may borrow up to \$81.0 million from an affiliate, at an interest rate of up to 5.5% per annum with a maturity date of up to May 15, 2021, for the purpose of purchasing, redeeming or settling (respectively) the Senior Secured Notes, Series 1 Ruble Bonds, and/or any related currency exchange swap agreements. The Corporation has not yet drawn down any amounts under this loan facility. On August 11, 2016, the Corporation and the affiliate agreed to increase the facility to \$95 million.

Q2 2016 Operations

During Q2 2016, Uranium One achieved total attributable production of 3.1 million pounds, compared to 3.2 million pounds during Q2 2015.

Operational results for Uranium One's assets for Q2 2016 were:

Asset	Q2 2016 Attributable Production (millions lbs U₃O₈)	Q2 2016 Total Cash Costs (per lb sold U₃O₈)
Akdala	0.5	\$12
South Inkai	0.9	\$14
Karatau	0.7	\$5
Akbastau	0.6	\$6
Zarechnoye	0.2	\$12
Kharasan	0.2	\$8
Willow Creek	-	-
Total	3.1	\$11

The following table provides a summary of key financial results:

FINANCIAL	Q2 2016	Q2 2015	YTD Q2 2016	YTD Q2 2015
Attributable production (lbs) ⁽¹⁾	3,149,800	3,242,600	6,131,600	6,218,800
Attributable sales (lbs) ⁽¹⁾ – Produced material	4,232,000	3,208,200	5,230,200	4,894,500
Average realized sales price (\$ per lb) ⁽²⁾ – Produced material	31	37	31	37
Average total cash cost per pound sold (\$ per lb) ⁽²⁾ – Produced material	11	14	11	14
Revenues (\$ millions) – as reported on consolidated income statement	127.3	111.0	141.2	168.8
Attributable revenues (\$ millions) ⁽²⁾	137.5	165.0	175.7	242.5
Gross profit (loss) (\$ millions) – as reported on consolidated income statement	25.6	0.2	16.8	(1.4)
Attributable gross profit (\$ millions) ⁽²⁾	50.5	41.1	61.1	62.3
Net earnings (\$ millions)	24.5	21.6	180.0	9.3
Net earnings per share – basic and diluted (\$ per share)	0.03	0.02	0.19	0.01
Adjusted net earnings (loss) (\$ millions) ⁽²⁾	47.8	7.8	50.6	(11.2)
Adjusted net earnings (loss) per share – basic (\$ per share) ⁽²⁾	0.05	0.01	0.05	(0.01)

Notes:

- (1) Attributable production pounds and attributable sales pounds are from assets owned and from joint ventures in commercial production during the period. All figures are rounded to reflect appropriate levels of confidence. Columns may not add up correctly due to rounding.
- (2) 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 on the Operating and Financial Review”.
- (3) The negative production from Willow Creek in the third and fourth quarters of 2015 was due to adjustments to earlier estimates of in-circuit solution levels resulting from actual production from said solutions.

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.

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 and Tanzania. ROSATOM State Atomic Energy Corporation, through its affiliates, is the main shareholder of Uranium One.

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

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Cautionary Statements

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

This press release contains certain forward-looking statements. 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 or 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 and 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, 2015. 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.