

Pure Cycle Corporation Announces Third Fiscal Quarter 2017 Financial Results

Denver, Colorado – July 7, 2017 – Pure Cycle Corporation (NASDAQ Capital Market: PCYO) today reported financial results for its third fiscal quarter ended May 31, 2017.

“We are pleased to report our results for the three and nine months ended May 31, 2017. During the third quarter we continued to focus on developing and marketing lots to home builders at Sky Ranch. Subsequent to quarter end, we were also pleased to announce that those efforts resulted in the Company entering into agreements with three national home builders for the sale of approximately 500 lots in the first phase of the Sky Ranch development. In addition, during the quarter the Company completed construction of its water transmission line to Sky Ranch, which was placed into service in June 2017.” commented Mark Harding, President of Pure Cycle Corporation.

We will file our Form 10-Q on Friday July 7, 2017 and will host a conference call on Monday July 10, 2017 at 4:00PM Eastern (2:00PM Mountain) to discuss these results. Call details are below. Additionally, we will post a detailed slide presentation which overviews our operations and presents summary financial results on our website prior to our call which can be access at www.purecyclewater.com.

The following table summarizes results of operations for the three and nine months ended May 31, 2017 and 2016:

	In 000's (except per share)			
	Three Months Ended May 31,		Nine Months Ended May 31,	
	2017	2016	2017	2016
Revenues	\$ 134	\$ 101	\$ 570	\$ 303
Cost of revenues	(167)	(135)	(481)	(388)
Gross margin	(33)	(34)	89	(85)
Operating expenses:				
General and administrative	(519)	(432)	(1,411)	(1,294)
Other	(79)	(67)	(228)	(183)
Loss from operations	(631)	(533)	(1,550)	(1,562)
Other income (expense):				
Oil and gas royalties and lease income, net	31	108	182	626
Other income (expense)	(3)	(2)	(8)	(8)
Interest income	60	66	199	175
Net (loss) from continuing operations	(543)	(361)	(1,177)	(769)
Net income (loss) from discontinued operations	(11)	(61)	(33)	(22)
Net (loss) after taxes	\$ (554)	\$ (422)	\$ (1,210)	\$ (791)
Loss per share	\$ (0.02)	\$ (0.02)	\$ (0.05)	\$ (0.03)

(*) Amount is less than \$.01 per share

Revenues increased approximately 33% and 88% during the three and nine months ended May 31, 2017 compared to the three and nine months ended May 31, 2016, respectively. The increase in revenue for the three months ended May 31, 2017, as compared to the same period in the prior year, is primarily attributed to the sale of a commercial water tap at our new service area, Wild Pointe. The increase in revenue for the nine months ended May 31, 2017, as compared to the same period in the prior year, is primarily attributed to the sale of frack water and the Wild Pointe tap fee revenues.

Our summarized financial position as of May 31, 2017 and August 31, 2016 is as follows:

	In 000's		\$ Change
	May 31, 2017	August 31, 2016	
Assets			
Cash, cash equivalents and short-term investments	\$ 25,981	\$ 27,873	\$ (1,892)
Other current assets	1,137	1,213	(76)
Total current assets	27,118	29,086	(1,968)
Long-term investments	1,430	6,853	(5,423)
Investments in water and water systems, net	34,343	28,322	6,021
Land and mineral interests	5,619	5,346	273
Other long-term assets	1,357	1,273	84
Total assets	<u>\$ 69,867</u>	<u>\$ 70,880</u>	<u>\$ (1,013)</u>
Liabilities and Shareholders' Equity			
Current liabilities	\$ 582	\$ 482	\$ 100
Other long-term liabilities	1,355	1,400	(45)
Total liabilities	1,937	1,882	55
Total shareholders' equity	67,930	68,998	(1,068)
Total liabilities and shareholders' equity	<u>\$ 69,867</u>	<u>\$ 70,880</u>	<u>\$ (1,013)</u>

SPECIAL INVESTOR CALL

When: 4:00PM Eastern on Monday July 10, 2017
Call in number: 866-682-6100 (no pass codes required)
International call in number: 862-255-5401 (no pass codes required)
Replay available until: July 24, 2017 at 11:59PM ET
Replay call in number 877-481-4010

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and other applicable securities laws. Forward-looking statements are all statements, other than statements of historical facts, including in this press release that address activities, events or developments that we expect or anticipate will or may occur in the future, such as the transformative nature of the sale of our farms, the focus on our water utility assets, and our position to take advantage of new opportunities to expand our water services. Investors are cautioned that forward-looking statements are inherently uncertain and involve risks and uncertainties that could cause actual results to differ materially. Factors that could cause actual results to differ from projected results include the risk factors discussed in Part I, Item 1A of our most recent Annual Report on Form 10-K and those factors discussed from time to time in our press releases, public statements and documents filed or furnished with the U.S. Securities and Exchange Commission. Although we have attempted to identify important factors that could cause actual results to differ materially from those described in forward-looking statements, there may be other factors that cause results not to be as anticipated or intended. Except as required by law, we disclaim any obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Company Information

Pure Cycle owns water and land assets in the State of Colorado in the Denver, Colorado metropolitan area. Pure Cycle provides wholesale water and wastewater services to customers located in the Denver metropolitan area including the design, construction, operation and maintenance of water and wastewater systems as well as the development of land assets.

Additional information including our recent press releases and Annual Reports are available at www.purecyclewater.com, or you may contact our President, Mark W. Harding, at 303-292-3456 or at info@purecyclewater.com.