



### Uranium Resources Reports First Quarter 2016 Results

CENTENNIAL, Colo., **May 12, 2016** – **Uranium Resources, Inc. (Nasdaq: URRE; ASX: URI)**, a uranium exploration and development company, announced today its results for first quarter of 2016, as well as reviewed its outlook for 2016 and commented on the URI's focus on developing its recently acquired Temrezli project.

Christopher M. Jones, President and Chief Executive Officer, said, "Despite an extremely challenging commodity and capital markets environment, we were able to execute the strategy we defined three years ago – that is, to advance the development of low cost, near-term production. We are continuing the difficult, but necessary, work to lower costs and raise the necessary capital to execute our strategy."

#### Business Highlights for 1Q2016 and to date

- Subsequent to quarter-end, the Company finalized its agreement with Laramide Resources Ltd. (TSX: LAM; ASX: LAM; "Laramide") to transfer ownership of the Churchrock and Crownpoint projects in New Mexico in exchange for \$12.5 million in total proceeds, including a payment of \$5.25 million in cash at closing, which is currently anticipated to occur by the end of the second quarter of 2016.
- Subsequent to quarter-end, the Company completed a common stock purchase agreement with Aspire Capital Fund, LLC ("Aspire Capital") to place up to \$12 Million in stock with Aspire Capital over a term of 30 months following the receipt of shareholder approval at the Company's Annual General Meeting of Stockholders, which is currently anticipated to be held on June 7, 2016.
- The Company successfully raised net proceeds of \$1.4 million during the quarter through a combination of a registered direct offering completed with Aspire Capital in early February and use of the Company's At-The-Market Sales Agreement during the quarter.
- URI continues to make progress on the Temrezli project, including preparation work to finalize and submit the necessary permit applications later this year.

#### Financial Overview

Mineral and property expenses were 10% lower at \$731,000 in 1Q2016 compared with \$809,000 in 1Q2015. General and administrative expenses, excluding non-cash stock compensation were \$2.0 million in the quarter as compared to \$1.6 million in the year ago period. Legal fees associated with the sale of the Churchrock and Crownpoint projects, as well as defense of a lawsuit with a former contractor at the Company (settled after the quarter closed) were the primary reasons for the increase. Excluding these one-time items, general and administrative expenses were comparable on a year-over-year basis at \$2.1 million when stock based compensation is included.

Net cash used in operating activities was \$2.2 million in 1Q2016 compared with \$2.7 million in 1Q2015.

Net loss of \$4.3 million in 1Q2016 compared with a net loss of \$3.8 million in 1Q2015. The increase year-over-year was mostly due to a commitment fee of \$0.3 million paid to Aspire Capital for transactions negotiated in the quarter, as well as the loss of \$0.1 million on the sale of marketable securities.

**Table 1: Financial Summary (unaudited)**

| (\$ and Shares in 000, Except Per Share and Uranium Price - per lb.) | 1Q2016     | 1Q2015     | Variance |
|--|------------|------------|----------|
| Net Cash Used in Operations  | \$ (2,205) | \$ (2,699) | -18%     |
| Mineral Property Expenses  | 731        | 809        | -10%     |
| General and Administrative   | 2,145      | 2,095      | 2%       |
| Net Loss   | \$ (4,273) | \$ (3,761) | 14%      |
| Net Loss Per Share   | \$ (0.86)  | \$ (1.70)  | -49%     |
| Avg. Weighted Shares Outstanding                                     | 4,968      | 2,212      | 125%     |
| Uranium Average Spot Price for the Period (source:UxC)               | \$ 29.15   | \$ 37.95   | -23%     |
| Uranium Long-term Price at Quarter End (source:UxC)                  | \$ 44.00   | \$ 49.00   | -10%     |

As of May 10, 2016, cash and cash equivalents total approximately \$0.4 million. Total shares outstanding are currently 5,770,790.

#### **Operations/Temrezli ISR Project Update**

Since acquiring the Temrezli project the Company has continued the various environmental and hydrological studies required for submission of operating permit applications and undertaking further metallurgical tests. The Company has carried out studies of the quantity and quality of the uranium mineralization at the Temrezli deposit and is preparing an economic and operational assessment of the project. The focus of these studies is upon the potential development of the Temrezli project as a future in-situ recovery ("ISR") uranium mine. The Company is making progress on completing an updated pre-feasibility study ("PFS"), which the Company expects to finalize by the end of the year. The Company is also progressing on its permitting related issues, as well as preparation to move the Rosita plant from south Texas to central Turkey. URI estimates that it will complete its updated economic analysis on the high-grade, low-cost Temrezli ISR project in the fourth quarter of 2016. This will then enable the Company to finalize and submit permit applications. Because much of the permitting process runs parallel with the Company's technical work, URI currently expects permit approvals as early as mid- year 2017, with final investment decision subsequent to those approvals, and subject to successful land acquisition and project financing.

#### **Laramide Asset Sale**

As previously disclosed, on April 7, 2016 URI and Laramide entered into a Share Purchase Agreement for the sale to Laramide of the Company's wholly owned subsidiary Hydro Resources, Inc. ("HRI"), which holds the Company's Churchrock and Crownpoint projects in New Mexico. Under the Share Purchase Agreement, the Company will transfer at closing ownership of HRI, and consequently transfer the Churchrock and Crownpoint projects to Laramide in exchange for the following consideration from Laramide:

- \$5.25 million in cash; and
- \$7.25 million promissory note, secured by a deed of trust or mortgage over the properties. The note will have a three-year term and carry an initial interest rate of 5% which then increases to 10% if and when Laramide makes a commercial production decision on Churchrock. Principal payments of approximately \$2.4 million are due and payable on the anniversary of the closing of the transaction in each of 2017, 2018 and 2019. Interest will be payable on a quarterly basis; provided, however, that no interest will be payable prior to the first principal payment in 2017.

## Outlook

The Company's goals for 2016 are to:

- **Temrezli.** URI estimates that it will have completed its updated economic analysis on the high-grade, low-cost Temrezli ISR project in the fourth quarter of 2016. This will enable the Company to finalize and submit permit applications soon thereafter. Because much of the permitting process runs parallel with the Company's technical work, URI currently expects permit approvals as early as mid-year 2017, with submission for final investment decision to follow, subject to successful land acquisition and project financing.
- **Laramide Transaction.** The Company continues to work toward closing this transaction in the second quarter of 2016.
- **Ongoing Cost Rationalization Efforts.** The Company expects to further reduce its operating and general and administrative expenditures in 2016.
- **M&A Efforts Continue.** 2015 was a significant year for URI as it dramatically reshaped the Company for the future. We continue to be active in the M&A space by focusing on low cost, near-term uranium production.

## Uranium Market Commentary

We expect demand for uranium to increase over time, as do most analysts. With approximately 440 nuclear reactors operating globally, and another 173 either under construction or on order, we expect demand for uranium to increase over 30% in the next few years. At the same time, development of most new uranium projects is stalled by low current prices. This means that while demand is increasing, new supply is not yet coming on to satisfy that demand. This supply-demand relationship strongly indicates that prices for uranium will rise. Some analysts believe that uranium prices may rise to as much as \$70 per pound in the next three years.

## About Uranium Resources

URI is focused on advancing to near-term production the Temrezli ISR project in central Turkey. URI also controls extensive exploration properties under nine exploration and operating licenses covering approximately 32,000 acres (over 13,000 ha) with numerous exploration targets, including the potential

satellite Sefaatlı project, which is 30 miles (48 km) southwest of the Temrezlı ISR project. In Texas, the Company has two licensed and currently idled processing facilities and approximately 14,000 acres (5,700 ha) of prospective ISR projects. In New Mexico, the Company controls minerals rights encompassing approximately 191,732 acres (84,362 ha) in the prolific Grants Mineral Belt, a portion of which we have entered into a definitive purchase agreement to sell to Laramide, which is one of the largest concentrations of sandstone-hosted uranium deposits in the world. Incorporated in 1977, URI also owns an extensive uranium information database of historic drill hole logs, assay certificates, maps and technical reports for the Western United States.

### **Cautionary Statement**

This announcement contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to risks, uncertainties and assumptions and are identified by words such as "expects," "estimates," "projects," "anticipates," "believes," "could," and other similar words. All statements addressing operating performance, events or developments that the Company expects or anticipates will occur in the future, including but not limited to statements relating to the future financing of the Company, the ability of the Company to engage in merger and acquisitions, including closing the proposed transactions with Laramide and Aspire Capital, the Company's expected burn rate, the date the Company intends to hold its annual shareholders meeting, and developments at the Temrezlı project (including without limitation matters relating to the PFS, relocating the Rosita plant, permitting, and future operations) are forward-looking statements. Because they are forward-looking, they should be evaluated in light of important risk factors and uncertainties. These risk factors and uncertainties include, but are not limited to, (a) the Company's ability to continue as a going concern, (b) the Company's ability to raise additional capital in the future; (c) the demand for, spot price and long-term contract price of uranium; (d) risks associated with our foreign operations, (e) the Company's ability to reach agreements with current royalty holders; (f) operating conditions at the Company's projects; (g) government and tribal regulation of the uranium industry and the nuclear power industry; (h) world-wide uranium supply and demand; (i) maintaining sufficient financial assurance in the form of sufficiently collateralized surety instruments; (j) unanticipated geological, processing, regulatory and legal or other problems the Company may encounter, including in Turkey; (k) the ability of the Company to enter into and successfully close acquisitions or other material transactions, including the proposed transactions with Laramide and Aspire Capital, and other factors which are more fully described in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and other filings with the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should any of the Company's underlying assumptions prove incorrect, actual results may vary materially from those currently anticipated. In addition, undue reliance should not be placed on the Company's forward-looking statements. Except as required by law, the Company disclaims any obligation to update or publicly announce any revisions to any of the forward-looking statements contained in this news release.

### **Competent Person**

Technical information in this announcement is based on data reviewed by Dean T. Wilton (CPG-7659), who is Chief Geologist and Vice President of Uranium Resources, Inc. Mr. Wilton is a "Qualified Person"

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as defined by Canadian National Instrument 43-101, and a “Competent Person” as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code). He is a Certified Professional Geologist (CPG-7659), as designated by the American Institute of Professional Geologists, and is a Member of the Australian Institute of Geoscientists (MAIG #6384). Mr. Wilton has more than 5 years of experience that are relevant to the evaluation of the styles of uranium deposits relating to this document. Mr. Wilton consents to the inclusion in this release of the matters based on their information in the form and context in which they appear.

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