



Uranium Resources Reports 2nd Quarter 2017 Results

CENTENNIAL, Colo., **August 14, 2017** – **Uranium Resources, Inc. (Nasdaq: URRE; ASX: URI)**, an energy metals exploration and development company, announced today its results for the second quarter of fiscal year 2017, and also discussed its business outlook and its energy metals business development in 2017.

Christopher M. Jones, President and Chief Executive Officer, said, “Continued work to strengthen our lithium projects portfolio, reclamation success in Texas, and a strong working capital position combine to give us a robust platform for growth in 2017 and beyond. As well, the startup of exploration drilling activities at Columbus Basin further demonstrates our commitment to our energy business.”

Highlights for 2Q-2017 and to Date

- Acquired approximately 9,300 acres of federal placer mining claims in the Railroad Valley of Central Nevada in June 2017, the Company’s third lithium brine exploration project.
- Commenced exploration drilling at the Columbus Basin lithium brine project on July 31, 2017.
- Executed an amendment to the Juan Tafoya Land Corporation Mining Lease in April 2017, decreasing the annual rental payment and the production royalty rate.
- Received shareholder approval of all proposals put forward at the Annual General Meeting held July 18, 2017, including the appointment of Tracy Pagliara to URI’s Board of Directors.
- Terminated the Stockholders’ Agreement dated March 1, 2012 between URI and Resource Capital Funds V L.P. (“RCF”) pursuant to which RCF had certain participation and Board rights.
- Cash and working capital balances at June 30, 2017 are \$7.2 million and \$8.4 million, respectively.

Financial Overview

Table 1: Financial Summary (unaudited)

| (\$ and Shares in 000's, Except Per Share) | <u>1H 2017</u> | <u>2Q 2017</u> | <u>1Q 2017</u> | <u>1H 2016</u> | <u>2Q 2016</u> | <u>1Q 2016</u> | <u>1H Variance</u> | <u>2Q Variance</u> |
|---|----------------|----------------|----------------|----------------|----------------|----------------|--------------------|--------------------|
| Net Cash Used in Operations | \$(6,334) | \$(3,047) | \$(3,287) | \$(5,240) | \$(3,035) | \$(2,205) | 21% | 0% |
| Mineral Property Expenses | \$(2,321) | \$(1,552) | \$(769) | \$(1,869) | \$(1,138) | \$(731) | 24% | 36% |
| General and Administrative, including Non-cash Stock Comp | \$(3,276) | \$(1,608) | \$(1,668) | \$(4,152) | \$(2,007) | \$(2,145) | -21% | -20% |
| Net Income/(Loss) | \$(795) | \$(2,639) | \$1,844 | \$(8,880) | \$(4,607) | \$(4,273) | -91% | -43% |
| Net Income/(Loss) Per Share | \$(0.03) | \$(0.11) | \$0.09 | \$(1.60) | \$(0.75) | \$(0.86) | -98% | -85% |
| Avg. Weighted Shares Outstanding | 23,117 | 24,615 | 21,602 | 5,560 | 6,152 | 4,968 | 316% | 300% |

- Net cash used in operations. Net cash used in operating activities was \$3.0 million in 2Q-2017, same as in 2Q-2016 and \$6.3 million for 1H-2017 compared to \$5.2 million for 1H-2016. The increase of \$1.1 million was primarily due to an increase in cash used to reduce accounts payable.
- Operating expenses. Mineral property expenses increased by approximately \$0.4 million for both 2Q-2017 and 1H-2017 versus the respective periods in 2016. The increase was mainly due to staking new claims at the Railroad Valley lithium project and payment of the 2016 annual lease for the Juan Tafoya project, which the Company had previously deferred. General and administrative charges decreased by \$0.4 million and \$0.9 million, respectively, from the corresponding periods in 2016. The decrease of \$0.4 million was primarily due to a decrease in stock compensation expense while the \$0.9 million decrease was due to a decrease in stock compensation, salaries and payroll burden, and consulting, legal, accounting, professional and public company expenses.
- Net income. Consolidated net loss for 2Q-2017 decreased \$2.0 million compared to 2Q-2016 due to a decrease in interest expense and impairment charges and additional gain recorded on the sale of Churchrock and Crownpoint projects. The consolidated net loss for 1H-2017 decreased by \$8.1 million from 1H-2016 primarily due to the gain on the sale of the Churchrock and Crownpoint projects, a decrease in interest expense, a decrease in impairment charges and a decrease of general administrative expenses.
- Cash and working capital. Continued working capital improvements resulted in an improved cash balance of \$7.2 million at June 30, 2017 and working capital of \$8.4 million compared to a working capital deficit of \$4.3 million at December 31, 2016. The increase in working capital of \$12.7 million during 1H-2017 was primarily due to the completion of two equity offerings in 1Q-2017 and the completion of the sale of our Churchrock and Crownpoint projects to Laramide in January 2017. The cash balance as of July 31, 2017 was \$6.6 million.
- Shares outstanding. Total shares outstanding as of August 11, 2017 were 24,963,345.

Business Update

Lithium Business

On June 20, 2017, the Company acquired its third lithium exploration project, through the staking of 9,270 acres of federal placer mining claims within the Railroad Valley of central Nevada. The Railroad Valley project is located approximately 75 miles west of Ely, Nevada and covers an area for which company-led reconnaissance sediment sampling returned lithium values as high as 366ppm.

Over the past year URI has expanded its energy metals business by leveraging its existing business operations and technical capabilities. Those efforts have resulted in the acquisition of three lithium brine exploration projects -- Columbus Basin, Sal Rica, and now Railroad Valley -- totaling over 36,730 acres of mineral claims and representing one of the largest lithium brine exploration holdings in North America.

URI will integrate the Railroad Valley project into the Company's ongoing lithium exploration activities in Nevada and Utah. Initial studies planned for the project include additional surface sediment sampling, and acquisition of relevant geophysical data generated from both historical and current oil exploration

within the basin for reinterpretation. Further exploration work will be dependent on results from these studies.

On July 31, the company announced the commencement of exploration drilling at the Columbus Basin lithium brine project. Earlier in the month, URI announced positive surface sampling results. The planned Phase I drilling program at the project will consist of five (5) core holes, and a total of 8,000 feet (2,440 meters) of drilling. Drill targets for this program are based on completed surface sediment sampling (see our news releases dated February 22, 2017 and July 12, 2017), and interpretation and analysis of multiple geophysical data sets covering the project area (see our news release dated April 5, 2017).

Uranium Business

Continuing reclamation work at our Texas properties has resulted in the approval by Texas Commission on Environmental Quality on July 28, 2017 of bond reduction in the amount of \$318,000 at the Rosita project. This is an important milestone for the Company that demonstrates its continuing commitment to the communities where we work, and is a testament to the hard and high quality work on the part of our team in Texas.

The Company executed an amendment to the Juan Tafoya Land Corporation Mining Lease whereby the annual rent was reduced from \$307,000 to \$175,000 for each of the next three years and the production royalty was fixed at 4% versus a variable rate ranging from 4.65% to 6.50%. The Company is continuing discussions with Cebolleta Land Grant representatives about revised terms on its mining lease.

Corporate Business

URI's shareholders approved all proposals put forward at the Annual General Meeting held July 18, 2017. We welcome Tracy Pagliara to the Uranium Resources Board of Directors, who replaced retiring member Tracy Stevenson. We thank Mr. Stevenson for his valuable service and wish him continued success and good fortune.

In a continued effort to streamline its business, the Company and RCF terminated the Stockholders' Agreement dated March 1, 2012, pursuant to which RCF had certain participation and Board rights.

On April 14, 2017, the Company entered into a Controlled Equity Offering Sales Agreement with Cantor Fitzgerald & Co. ("Cantor"). Under the ATM Offering, the Company may from time to time sell shares of its common stock having an aggregate offering amount up to \$30.0 million in "at-the-market" offerings. The Company pays Cantor a commission equal to 2.5% of the gross proceeds from the sale of any shares pursuant to the ATM Offering

Outlook

The Company's current cash is expected to fund critical operations through year-end 2017 and into the first quarter of 2018. As an exploration and development company with no current production, the Company expects to obtain additional capital market financing, including the possible further sale of non-core assets, to fund its lithium exploration program and to operate the Company through 2018.

The Company's goals for the remainder of 2017 are as follows:

- **Lithium:** Continue to develop and implement exploration plans for the Company's lithium assets in Nevada and Utah.
- **Uranium:** Maintain our low-cost uranium portfolio and continue reclamation work in Texas.
- **Ongoing Cost Rationalization Efforts:** Continue to reduce operating and general and administrative expenditures in 2017.
- **M&A Efforts Continue.** Maintain an opportunistic posture in mergers and acquisitions by focusing on low-cost development opportunities in energy metals.

About Uranium Resources

URI is focused on expanding its energy metals strategy, which includes developing its new lithium business while maintaining optionality on the future rising uranium price. The Company has developed a dominant land position in three prospective lithium brine basins in Nevada and Utah in preparation for exploration and potential development of any lithium resources that may be discovered there. In addition, URI remains focused on advancing the Temrezli in-situ recovery (ISR) uranium project in Central Turkey when uranium prices permit economic development of this project. URI controls extensive exploration properties in Turkey under eight exploration and operating licenses covering approximately 39,000 acres (over 16,000 ha) with numerous exploration targets, including the potential satellite Sefaatli Project, which is 30 miles (48 km) southwest of the Temrezli Project. In Texas, the Company has two licensed and currently idled uranium processing facilities and approximately 11,000 acres (4,400 ha) of prospective ISR uranium projects. In New Mexico, the Company controls mineral rights encompassing approximately 186,000 acres (75,300 ha) in the prolific Grants Mineral Belt, which is one of the largest concentrations of sandstone-hosted uranium deposits in the world. Incorporated in 1977, URI also owns an extensive information database of historic drill hole logs, assay certificates, maps and technical reports for uranium properties located in the Western United States.

Cautionary Statement

This news release 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 events or developments that the Company expects or anticipates will occur in the future, including but not limited to statements relating to developments at the Company's projects, including future exploration costs and results, future demand for and price of uranium and lithium, integration of the Railroad Valley project, the Phase I drilling at the Columbus Basin project, continuing discussions with Cebolleta Land Grant representatives, and the Company's liquidity, including future capital markets and disposition activities, 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) estimated or expected net cash used in operations, mineral property expenses, general and administrative expenses, net loss, and cash and working capital positions for the twelve months ended December 31, 2017, (b) the Company's ability to raise additional capital in the future; (c) spot price and long-term contract price of uranium and lithium; (d) risks associated with our foreign operations, (e) operating conditions at the Company's projects; (f) government and tribal regulation of the uranium industry, the lithium industry, and the power industry; (g) world-wide uranium and lithium supply and demand, including the supply and demand for lithium-based batteries; (h) maintaining sufficient

financial assurance in the form of sufficiently collateralized surety instruments; (i) unanticipated geological, processing, regulatory and legal or other problems the Company may encounter in the jurisdictions where the Company operates, including in Texas, New Mexico, Utah, Nevada and Turkey; (j) the ability of the Company to enter into and successfully close acquisitions or other material transactions; (k) the results of the Company's lithium brine exploration activities at the Columbus Basin, Railroad Valley and Sal Rica Projects, (l) the ability of the Company to negotiate an extension on the Cebolleta lease and (m) 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.

Uranium Resources Contact:

Christopher M. Jones, President and CEO
303.531.0472

Jeff Vigil, VP Finance and CFO
303.531.0473

Email: Info@uraniumresources.com

Website: www.uraniumresources.com