



### Uranium Resources Reports Second Quarter 2016 Results

CENTENNIAL, Colo., **August 11, 2016** – **Uranium Resources, Inc. (Nasdaq: URRE; ASX: URI)**, a uranium exploration and development company, announced today its results for the second quarter of 2016, as well as reviewed its outlook for 2016 and commented on the status of development plans for its Temrezli project acquired in November 2015.

Christopher M. Jones, President and Chief Executive Officer, said, “We continue to make our business leaner and have achieved lower operating costs, while maintaining our readiness to take advantage of rising uranium prices in the future. Furthermore, we are progressing with financing arrangements to secure our future.”

#### Business Highlights for 2Q-2016 and to date

- The Company finalized its agreement with Laramide Resources Ltd. 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 third quarter of 2016.
- The Company completed a common stock purchase agreement (“CSPA”) 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 occurred on June 7, 2016.
- The Company successfully raised net proceeds of \$3.9 million during the quarter through a combination of a registered direct offering completed with Aspire Capital in early April, use of the Company’s At-The-Market Sales Agreement during the quarter and use of the Aspire CSPA during the quarter.
- URI continues to make progress on the Temrezli project, including, most recently, approval by Turkey’s regulatory authority of our Quality Management System. Prefeasibility work has been delayed, however.
- Continued low uranium prices have required the Company to reduce manpower in Turkey and Texas. Cost savings will be reflected in our Q3-2016 results and going forward.

#### Financial Overview

Mineral and property expenses were 15% lower at \$1.1 million in 2Q-2016, compared with \$1.3 million in 2Q-2015, the \$0.2 million decrease was primarily due to lower land holding costs. For 1H-2016, mineral and property expenses were \$1.9 million compared to \$2.1 million for 1H-2015, the decrease due mainly to lower exploration and evaluation costs and land holding costs. General and administrative expenses, excluding non-cash stock compensation, were \$1.7 million in the quarter as compared to \$2.2 million in the year ago period, the decrease primarily due to reduced consulting and professional costs related to M&A activities when the Company was completing the merger with

Anatolia Energy in 2015. For 1H-2016, general and administrative expenses, excluding non-cash stock compensation, were \$3.7 million as compared to \$3.9 million in the year ago period. Again, the decrease was primarily due to reduced costs related to M&A activities.

For Q2-2016, net cash used in operating activities was \$3.0 million compared with \$3.1 million in 2Q-2015. For 1H-2016, cash used in operating activities was \$5.2 million compared with \$5.8 million for 1H-2015. The decrease of \$0.6 million was primarily due to an increase in non-cash expenditures of \$0.9 million, offset by cash interest expense of \$0.3 million paid pursuant to the loan agreement with Resource Capital Funds.

Net loss of \$4.6 million or \$0.75 per share in 2Q-2016 is approximately level with our loss of \$4.6 million, or \$1.83 per share in 2Q-2015. Net loss for 1H-2016 was \$8.9 million or \$1.60 per share, with an increase of \$0.6 million from the net loss in 1H-2015 of \$8.3 million or \$3.54 per share. The increase in net loss was primarily due to an impairment charge of \$0.5 million recorded upon termination of the Sejita Dome Project.

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

(\$ and Shares in 000, Except Per Share and Uranium Price)	1H 2016	2Q 2016	1Q 2016	1H 2015	2Q 2015	1Q 2015	1H Variance	Q2 Variance
Net Cash Used in Operations	\$ (5,240)	\$ (3,035)	\$ (2,205)	\$ (5,833)	\$ (3,136)	\$ (2,699)	-10%	-3%
Mineral Property Expenses	1,869	1,138	731	2,101	1,292	809	-11%	-12%
General and Administrative, including Non-cash Stock Compensation	4,152	2,007	2,145	4,501	2,406	2,095	-8%	-17%
Net Income/(Loss)	\$ (8,880)	\$ (4,607)	\$ (4,273)	\$ (8,313)	\$ (4,532)	\$ (3,761)	7%	1%
Net Loss Per Share	\$ (1.60)	\$ (0.75)	\$ (0.86)	\$ (3.34)	\$ (1.83)	\$ (1.70)	-55%	-59%
Avg. Weighted Shares Outstanding	5,560	6,152	4,968	2,349	2,483	2,212	137%	148%
Uranium Average Weekly Spot Price for the Period (source: UxC)	\$ 30.22	\$ 27.67	\$ 31.77	\$ 37.38	\$ 36.80	\$ 37.95	-19%	-25%
Uranium Long-term Price at Period End (source: UxC)	\$ 41.00	\$ 41.00	\$ 44.00	\$ 46.00	\$ 46.00	\$ 49.00	-11%	-11%

As of August 10, 2016, cash and cash equivalents total approximately \$0.4 million and total shares outstanding are 8,564,622.

### Operations/Temrezli ISR Project Update

Since acquiring the Temrezli project in central Turkey the Company has continued to advance the various environmental and hydrological studies required for submission of operating permit applications and undertaken 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. To date, the Company has completed a comprehensive inventory of the Rosita plant, with the objective of this study to determine the potential economic impact on development of the Temrezli deposit. The Company is also progressing on its permitting related issues, as exhibited by the approval of our Quality Management System in July. However, cost reduction efforts have reduced work effort on the Prefeasibility Study. We are evaluating timing for the restart of the work required and will advise in Q4-2016.

### Laramide Asset Sale

As previously disclosed, on April 7, 2016 URI and Laramide Resources Limited (TSX:LAM; ASX:LAM; "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:

- **Temrezli.** URI is evaluating timing for restart of the Temrezli Prefeasibility study in view of current uranium prices and the prospects for their recovery.
- **Laramide Transaction.** The Company continues to work toward closing this transaction by the end of the third quarter of 2016.
- **Ongoing Cost Rationalization Efforts.** The Company expects to further reduce its operating and general and administrative expenditures in 2016. We have reduced our workforce in Turkey and Texas to further manage costs while maintaining regulatory compliance and a strong platform for our business going forward.
- **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 development opportunities.

## Uranium Market Commentary

We expect demand for uranium to increase over time, as do most analysts. With approximately 393 nuclear reactors in the global fleet, and another 148 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 over the long term.

## About Uranium Resources

URI is focused on advancing to near-term production the Temrezli ISR project in central Turkey. URI 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 Sefaatli project, which is 30 miles (48 km) southwest of the Temrezli ISR project. In Texas, the Company has two licensed and currently idled processing facilities and approximately 11,000 acres (4,400 ha) of prospective ISR projects. In New Mexico, the Company controls mineral rights encompassing approximately 190,000 acres (76,900 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 transaction with Laramide, the Company's expected burn rate and cost savings, and developments at the Temrezli project (including without limitation matters relating to the Prefeasibility Study, 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) operating conditions at the Company's projects; (f) government and tribal regulation of the uranium industry and the nuclear power industry; (g) world-wide uranium supply and demand; (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, including in Turkey; (j) the ability of the Company to enter into and successfully close acquisitions or other material transactions, including the transaction with Laramide, 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, who is Chief Geologist and Vice President of Uranium Resources, Inc. Mr. Wilton is a “Qualified Person” 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 mineral 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.

**Uranium Resources Contact:**

Christopher M. Jones, President and CEO

Jeff Vigil, VP Finance and CFO

Phone: 303.531.0470 or 303.531.0478

Email: [Info@uraniumresources.com](mailto:Info@uraniumresources.com)

Website: [www.uraniumresources.com](http://www.uraniumresources.com)