URANIUM RESOURCES, INC.

A LEADER IN EARTH-SAFE TECHNOLOGY FOR MINERAL RECOVERY

Uranium Mining and the Nuclear Renaissance

Trinity Section
American Nuclear Society
Dinner
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Rick Van Horn
Executive Vice President & Chief Operating Officer
Uranium Resources, Inc

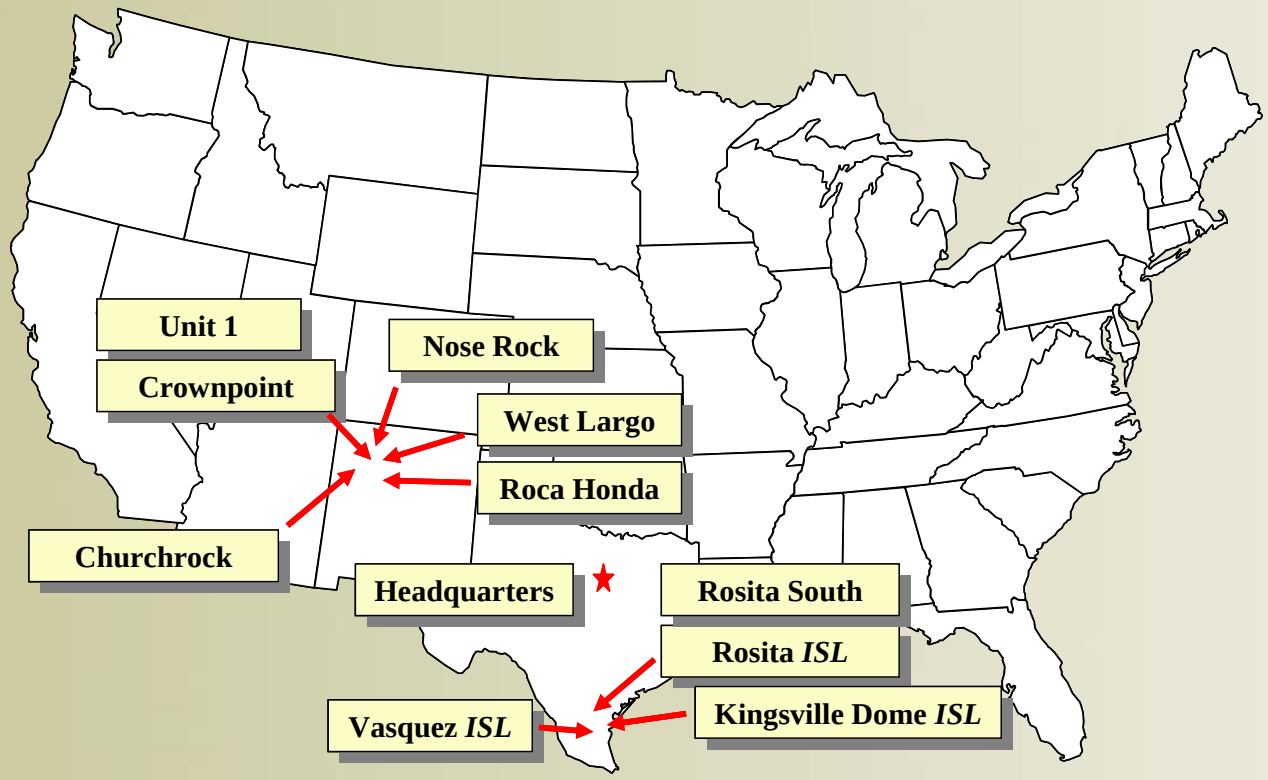
Uranium Resources, Inc. (URI)

- Incorporated in 1977 to acquire, develop and produce uranium deposits using In-Situ Recovery (“ISR”) technology.
- Produced over 7 million pounds since 1988

New Mexico Properties

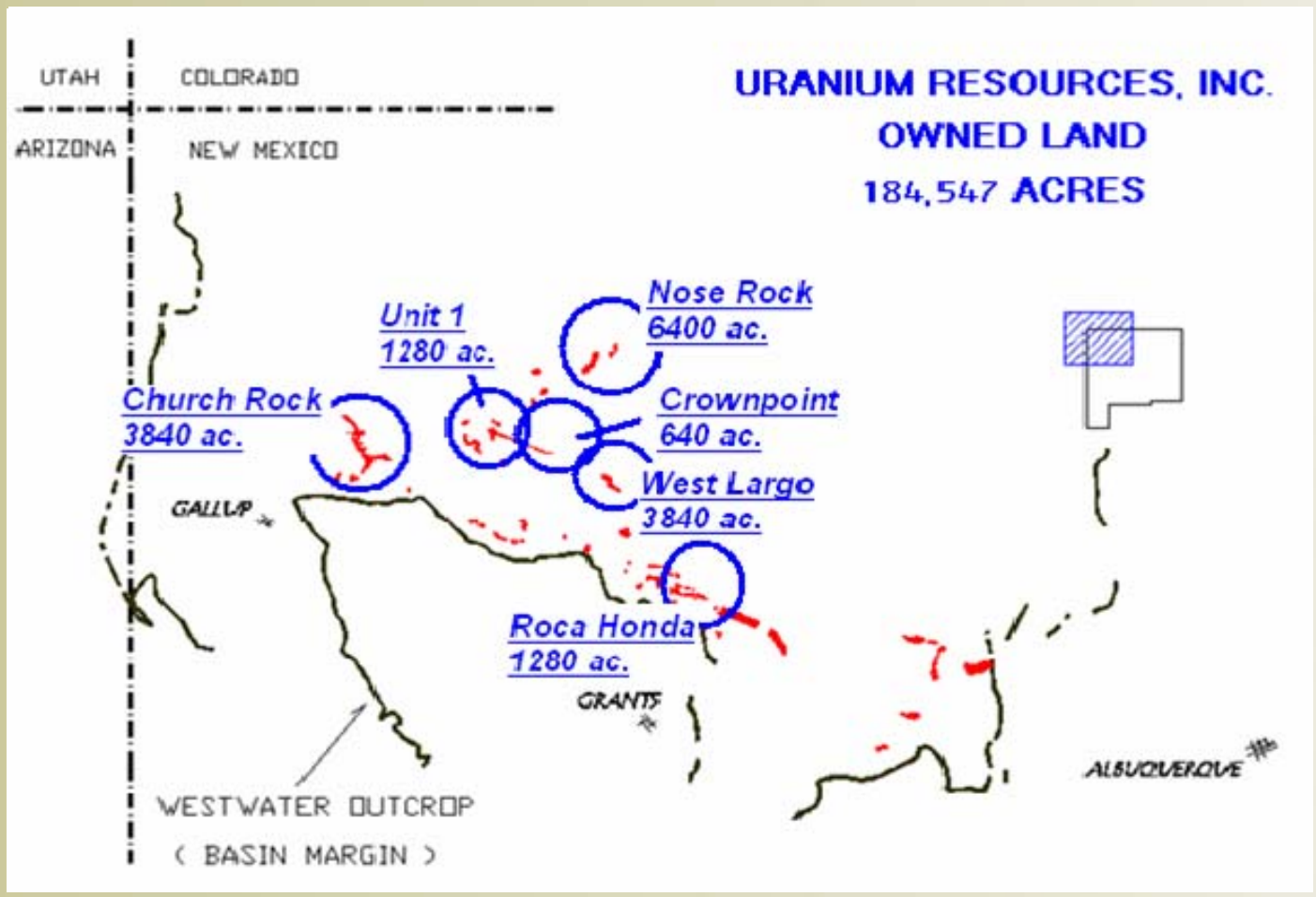
- 101 MM lb Reserve
- 183,000 acres
- Extensive database
- NRC License

Operations & Properties



Uranium in New Mexico

GRANTS MINERAL BELT MOST PROLIFIC PRODUCER OF URANIUM IN U.S.



U.S. Forward-Cost Uranium Reserves by State (December 21, 2003)

State	$30 per pound			$50 per pound		
	Ore (million tons)	Avg. grade (% U_3O_8)	U_3O_8 (million lbs)	Ore (million tons)	Avg. grade (%U_3O_8)	U_3O_8 (million lbs)
Wyoming	41	0.129	106	238	0.076	363
New Mexico	**15**	**0.280**	**84**	**102**	**0.167**	**341**
Arizona, Colorado, Utah	8	0.281	84	102	0.138	123
Texas	4	0.077	6	18	0.063	23
Other	6	0.119	24	21	0.094	40
Total	74	0.178	265	424	0.105	890

Note high sensitivity of reserves to price Source: U.S. Energy Information Agency (2006)

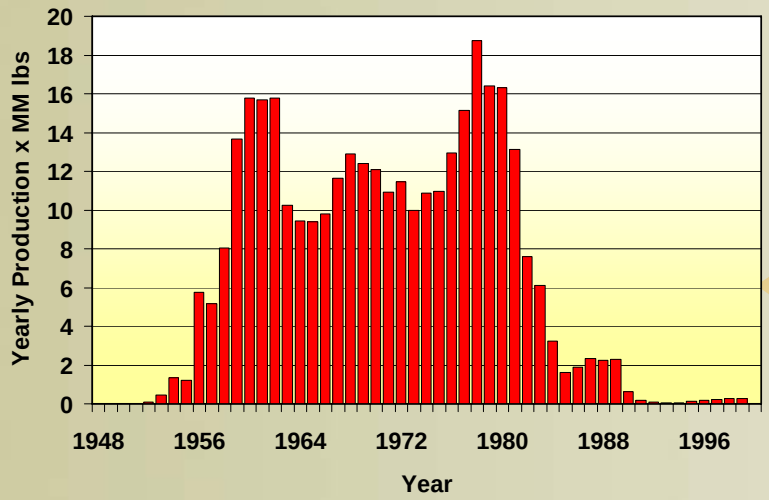
Global Uranium Output/Reserves

Country	2005 output	Cumm. Thru 2005	Reserves at <$130/kg	Possible resources at <$130/kg
Canada	11,629	397,774	345,200	700,00
Australia	9,519	131,805	747,000	ND
Kazakhstan	4,357	32,715*	513,900	500,00
Russian Fed.	3,431	38,847*	131,700	500,000
Namibia	3,147	84,980	182,600	ND
Niger	3,093	97,524	180,500	246,000
Uzbekistan	2,300	28,069*	76,900	134,700
U.S.A.	**1,039**	**358,402**	**342,000**	**1,340,000**
Ukraine	800	11,500	66,700	255,00
China	750	29,169	38,000	41,000
South Africa	674	159,039	255,600	1,112,900

***1992-2005 totals**
$130/kg=$59/lb

Source: World Energy Council(2007)

New Mexico's Uranium History



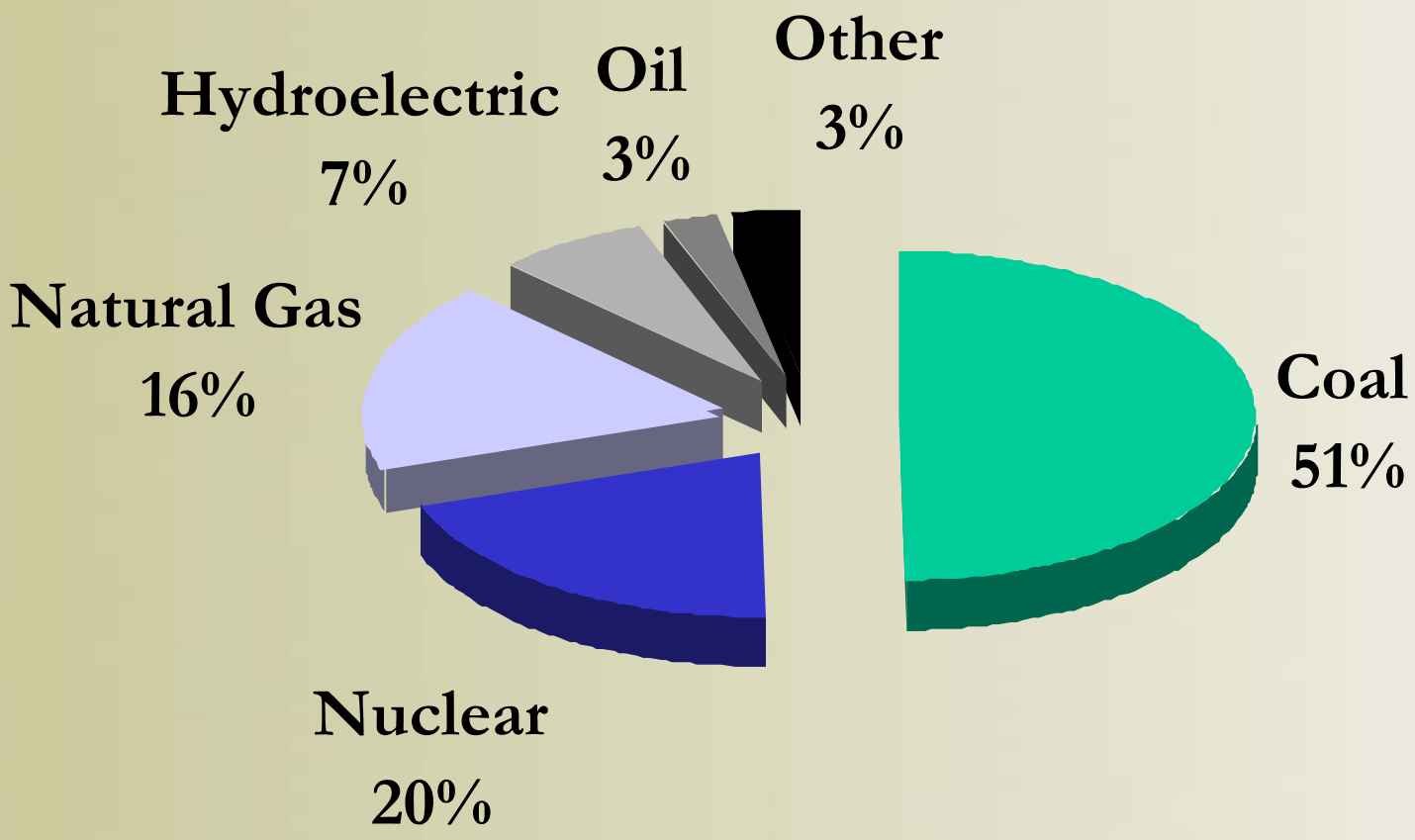
The Grants region produced over 347 million pounds U_3O_8 between 1948 & 2000

Grants Mineral District was a U.S. and world leader in uranium production during first uranium boom

Estimated 300 - 350 million pounds of known uranium remaining in New Mexico today

New Mexico's uranium reserves are among the richest in the nation – 2nd only to Wyoming

Energy Sources in the U.S.

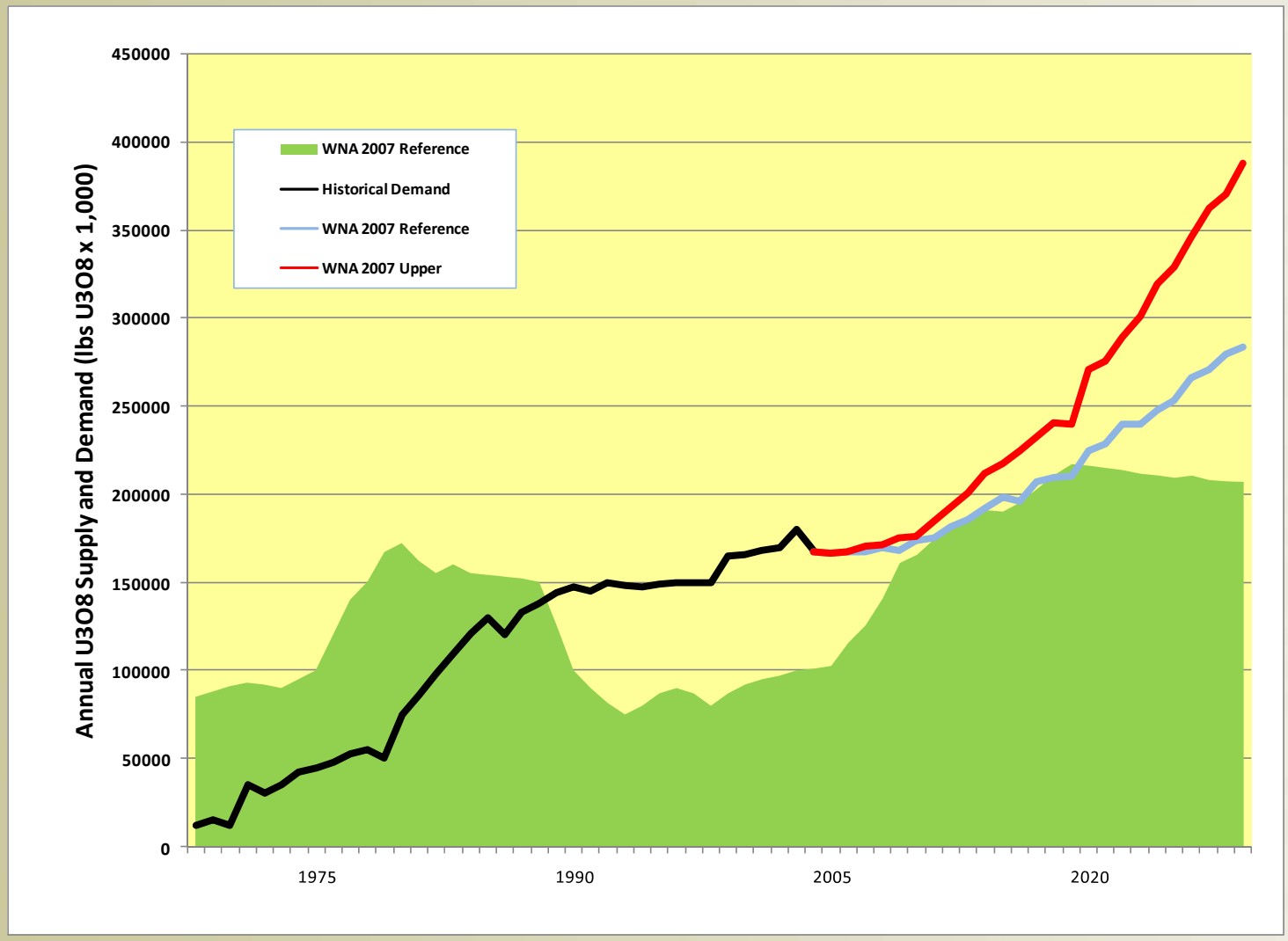


Coal, oil and natural gas all impact global warming.

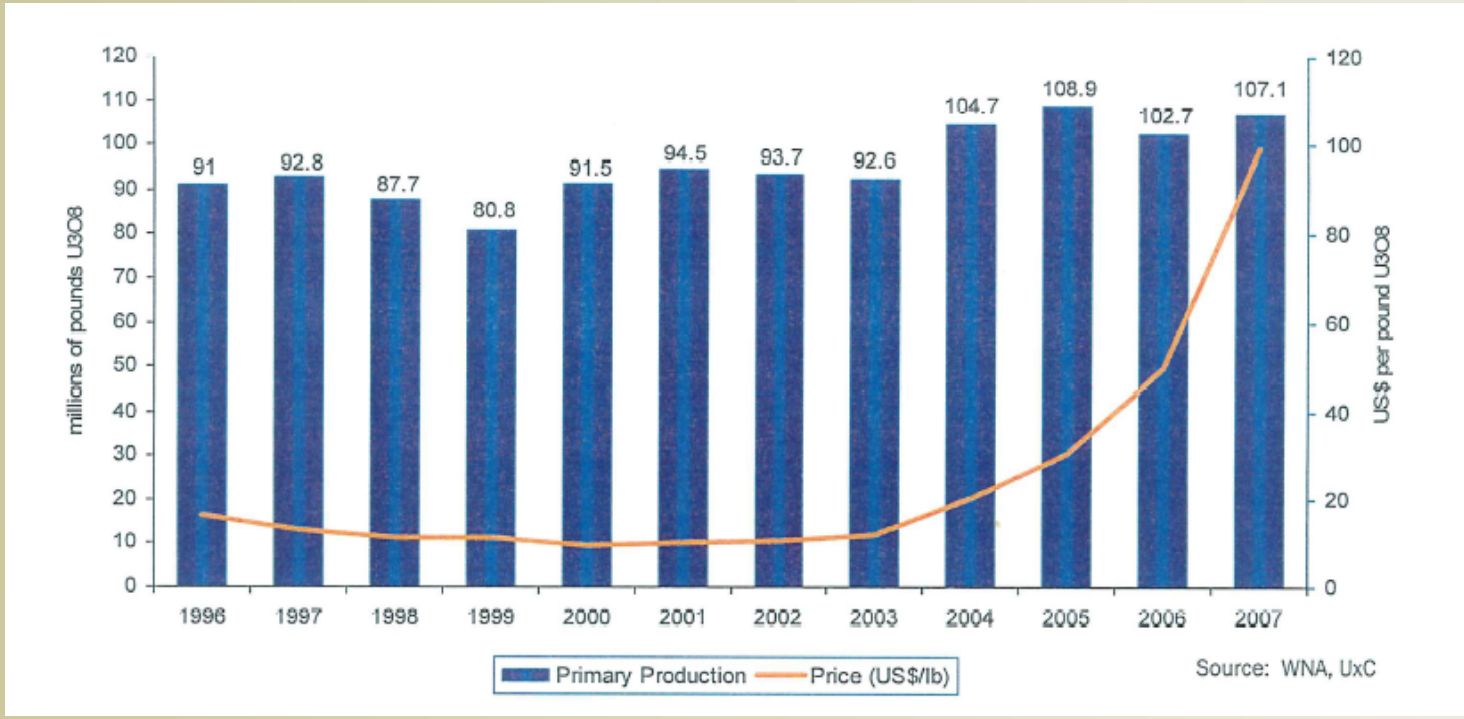
Nuclear Power

- Nuclear power plants provide 16% of the world's energy production
- 32 countries operate 440 Nuclear Power Plants worldwide
  - Requiring 152 MM lbs of Uranium for fuel
  - About 1.6 times current uranium production
- 34 new reactors under construction globally
- 93 more reactors are planned or on order
- Additional 222 proposed (roughly 30% in China)
- 104 of those plants are in the United States

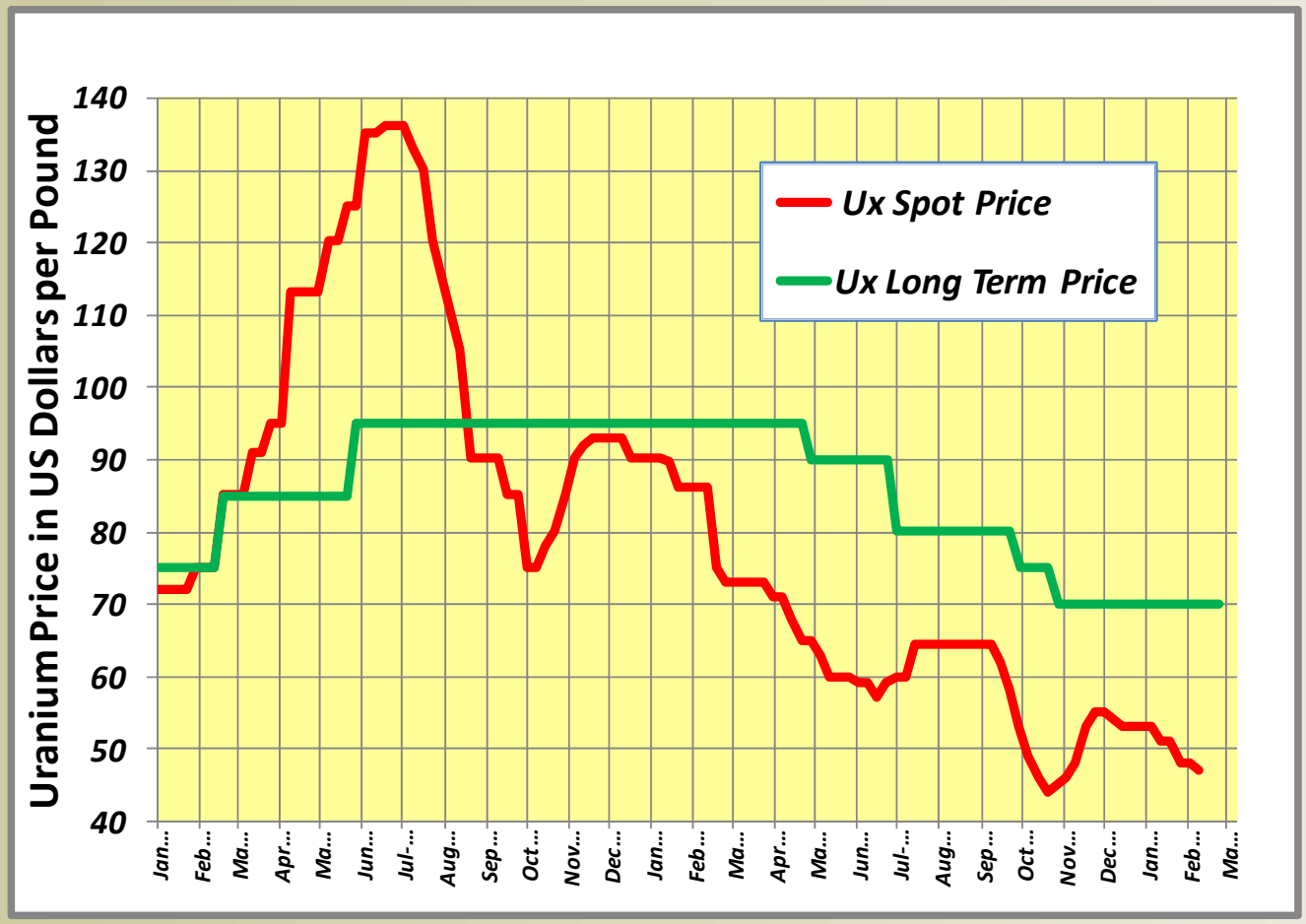
World Demand Forecast for Uranium



Slow Primary Supply Response to Rising Prices



Recent Short & Long Term Uranium Prices



Source of US Uranium in 2007

Russian feed from HEU

- Deal over in 2013
- 33% of domestic supply
- Largest single component of US supply
- Possible supply disruption due to current saber-rattling

Source	MM lbs
US Origin	4.0
Russia	16.8
Australia	11.5
Canada	10.7
Namibia	3.1
Kazakhstan	2.4
Uzbekistan	1.3
Others	1.2
Total US Burn	51.0

The Potential of NM Uranium Mining Resurgence

- New Mexico has significant economic uranium reserves
  - An estimated 600 mm lbs. of known reserves remain
  - Located mostly in McKinley and Cibola Counties
  - $36 BILLION value @ $60/lb.
- Production of NM Uranium will reduce U.S. dependence on foreign sources of energy
- NM Uranium can and will be produced safely
  - Regulatory oversight at both Federal & State levels
  - Advances in technology for environmental protection
  - Advances in industrial safety will guarantee worker protection

Uranium Mining Regulators

- New Mexico Mining & Minerals Division- (NM Energy, Minerals & Natural Resources Department)
- New Mexico Environment Department
- Office of the State Engineer
- Environmental Protection Agency (EPA)
- Nuclear Regulatory Commission (NRC)
- Mine Safety and Health Administration (MSHA)

Economics

Capital Expenditures

ISR Plant

~$20 million

1 - 2 mm lbs/yr

Time to production: 18 months

(with no limiting conditions)

Conventional Mine

~$130 - $150 million/mine

5 - 8 mm lbs/yr

(*Nose Rock, Roca Honda, West Largo)*

Time to production: 3 - 3.5 yrs

(with no limiting conditions)

Conventional Mill

~$250 - $350 million

~10 - 15 mm lbs/yr

Time to operation: 4 - 5 years

(with no limiting conditions)

Greenfield lead time: 8 - 10 years

Production Costs

ISR:
$30 to $50 per pound

Conventional:
$45 to $75 per pound

New Mexico Uranium Producers

- Uranium Resources, Inc.
- Laramide Resources, Ltd.
- Neutron Energy
- Rio Grande Resources (General Atomics)
- Uranium Energy Corp.
- Strathmore Resources, US (Ltd)
- UREX Energy Corporation
- Western Uranium Corporation
- SXR Uraniumone, inc.

The Economic Benefits of Uranium Mining

- Create thousands of good-paying jobs
- Provide infrastructure improvements for area communities
- Provide billions in taxes to the State and local governments
- Provide sustainable development for northwest New Mexico

Economic Impact

Construction Phase (5-yr period)

Capital expenditures	Employment Impact (jobs)
$2.1 billion-direct	6,921 Direct
$0.8 Billion-Indirect	3,584 Indirect
$0.3 Billion-induced	2,081 Induced
$3.2 billion total	12,586 Total

Mining & Milling Operations Average Annually over 30 years

Economic Impact*	Employment impact
$525 Million-Direct	3,266-Direct
$230 Million-Indirect	2,135-Indirect
$120 Million-Induced	2,887-Induced
$865 Million-Total Annual Average	8,288 Total Annual Average

Projected State Tax Revenue

Direct	30-year period	Indirect	30-year period
Severance Tax	$490 Million	Personal Income Tax	$292 Million
Resource Excise Tax	$200 Million	Gross Receipts Tax	$612 Million
Conservation Tax	$50 Million	Corporate Income Tax	$128 Million
Total	$740 Million	Total	$1.03 billion

New Mexico's Mining Resurgence

- We have experienced an unprecedented run up in the price of uranium over the past three years
  - **Not one dollar has been made from uranium production during this price cycle**
  - **Average price of uranium today is $50**
- New Mexico again can be at the forefront of the uranium mining resurgence
- Both conventional and ISR mining methods needed to recover remaining uranium deposits
- A regional conventional uranium mill is needed to process mined ore before conventional uranium mining can re-start in New Mexico
- Need to counter the climate of fear from the green and Native American movements
- Need a business-friendly climate in the state

New Mexico Challenges

- Legacy Issues
- Navajo Nation Ban
- Environmental Opposition
- Economics
- Industry Credibility
- Education