

Uraniumletter INTERNATIONAL

the international independent information and advice bulletin for uranium resource investments

Special Situation – November 2013

www.uraniumresources.co.uk



Uranium Resources Plc 0.87 pence)

AIM London	: URA
H+L prices (12 months)	: 2.65 – 0.65 pence
Issued shares	: 745.5 million
Fully diluted shares	: 805.5 million
Market capitalization	: £ 6.5 million

Next price target: 2.50 pence

Company profile

Uranium Resources Plc is a uranium exploration company listed on the London AIM.

Its principal asset is the 100%-owned **Mtonya Uranium Project** located in southwestern Tanzania, which is the first in-situ recovery (ISR) uranium resource in Africa.

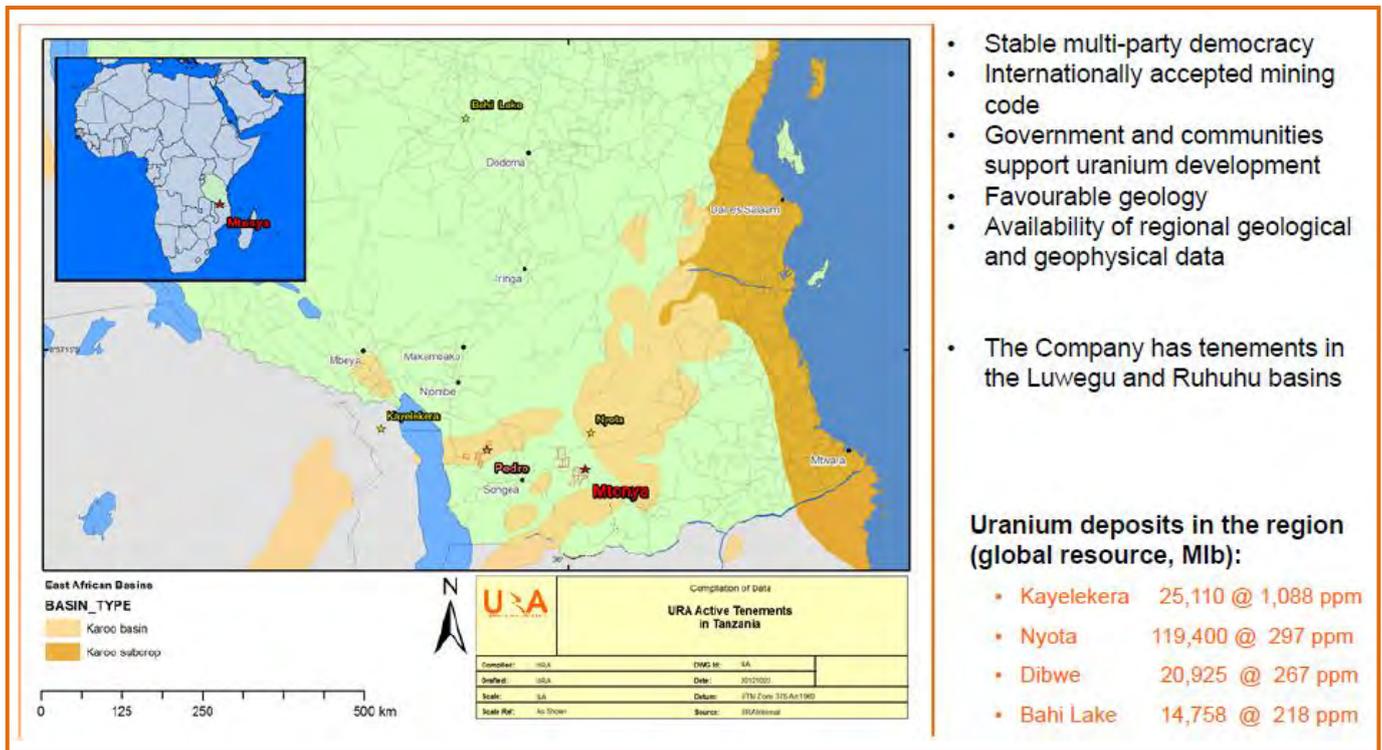
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Early May 2013, Uranium Resources announced that it had completed a maiden CIM-compliant Mineral Resource estimate, supported by a NI 43-101 independent Technical Report which was prepared by Roscoe Postle Associates of Toronto, Canada.

Highlights are:

- ▶ CIM Inferred Resource estimate of 3.6 million tonnes at 255 ppm U₃O₈ containing 2.0 million pounds U₃O₈.
- ▶ The current resource consists mostly of Tier 1 mineralization over 4.5 kilometres of the 36-kilometre long Mtonya Redox Corridor, which includes the untested Nyoka and Lukimwa uranium targets.
- ▶ Only a short segment of Tier 2 has been drill tested while the deeper inferred Tier 3 has not been drilled.
- ▶ Mineralization remains open in all directions, including the deeper Tier 2 and Tier 3.
- ▶ Remarkable continuity and mineral assemblages suggest similarities with uranium deposits of Chu-Sarysu, Kazakhstan and Powder River Basin, Wyoming, USA.

Uranium Resources continues to develop the Mtonya resource and anticipates the ultimate exploration target to be on a par with or exceed that of Uranium One's (now ARMZ) Mkuju River Project.



- Stable multi-party democracy
- Internationally accepted mining code
- Government and communities support uranium development
- Favourable geology
- Availability of regional geological and geophysical data
- The Company has tenements in the Luwegu and Ruhuhu basins

Uranium deposits in the region (global resource, Mlb):

- Kayelekera 25,110 @ 1,088 ppm
- Nyota 119,400 @ 297 ppm
- Dibwe 20,925 @ 267 ppm
- Bahi Lake 14,758 @ 218 ppm

Overview of project

➤ **100%-owned Mtonya Project, southwestern Tanzania**

The Mtonya Project is a “predictive discovery” made possible by a comprehensive data compilation and analysis of the Luwegu Basin, one of the Africa Karoo basins that host near-surface Kayelekera and Uranium One’ s (now ARMZ) Mkuju River Project.

The deep uranium potential at Mtonya was identified through a thorough study of the Luwegu Basin architecture and analysis between the structural settings of Mtonya and the Mkuju River Project, 60 km to the north. The Mkuju River Project is interpreted to be an upthrown, remobilised and partially eroded remnant of a typical mineralised uranium roll-front system and has a global resource of 119.4 million pounds grading 0.025% U3O8.

The Mtonya Project could host a number of these roll-fronts at depth.

In 2010, Uranium Resources executed a baseline drilling programme, including several 500-metre deep holes that intersected redox interfaces throughout the sedimentary package.

With the refined exploration model, the Company’s first hole of the 2011 programme intercepted uranium mineralization at a depth of 262.9 metres.

The 2011 drilling campaign comprised 27 diamond drill holes to a total of 7,950 metres. The holes were set in an irregular pattern about 300 metres apart, with only a few infill holes with 50-150 metres between them.

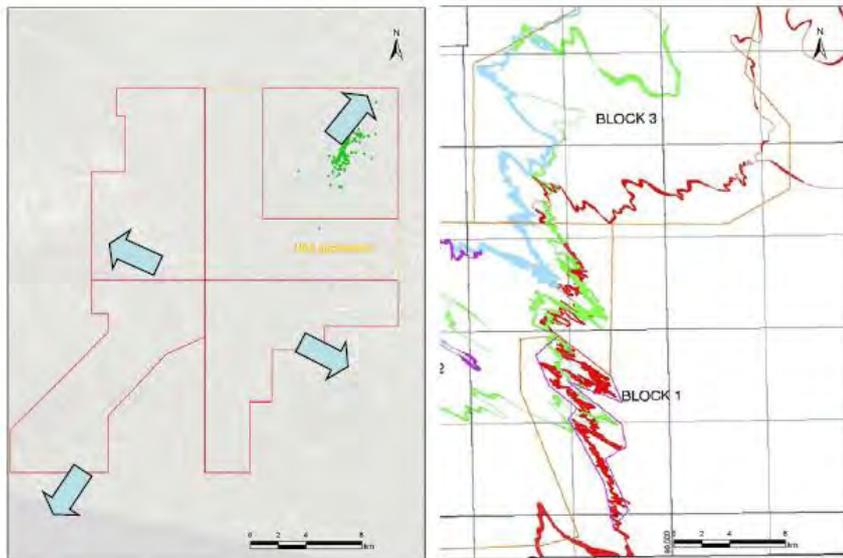
In 2012, Uranium Resources completed 26,482 metres (120 diamond drill holes) of resource-definition drilling, in which 75% of drill holes intersected uranium mineralization.

Similar to other well-known uraniferous basins (e.g. Chu-Sarysu in Kazakhstan and the Powder River Basin in Wyoming, USA), each tier could contain up to six mineralised roll-fronts.

The Company focused its exploration efforts on Tier 1 and to a much lesser extent, on Tier 2. The Tier 3 mineralization remains inferred and is to be drill-tested.

In March 2013, Uranium Resources produced its maiden CIM-compliant resource estimate for the Mtonya Project.

Mtonya and Inkai to Scale



Only a small fraction of the Luwegu basin has been subjected to systematic exploration – most of it follow-up on Uranerz's 1980s reconnaissance program

- In 2010-2011, a small area 3 km by 3 km was scout-drilled
- Potential remains open in all directions, on several tiers

Holes drilled at Inkai: 4,898
 Holes drilled at Akbastau: 699 (~384 km)
 Holes drilled at Nyota: 1,740 (>107 km)
Holes drilled at Mtonya: 159 (<39 km)

Drill spacing at Inkai: 25-50 m
 Drill spacing at Akbastau: 50x200 m
 Drill spacing at Nyota: 5-25 m
Drill spacing at Mtonya: 50x250 m

Average depth at Inkai: 240 m
 Average depth at Akbastau: 450 m
 Average depth at Nyota: 63 m
 Average depth at Smith Ranch: 200 m
Average depth at Mtonya: 300 m

The estimate was based only on 500 ppm chemical assays of core samples.

Summary of Inferred Resources, Mtonya:

▶ Tonnage	: 3.6 million tonnes	▶ Grade	: 255 ppm U3O8
▶ Contained	: 2,014 million pounds U3O8	▶ Date	: March 1, 2013
▶ Cut-off grade	: 50 ppm U3O8	▶ Topcut to	: 500 ppm

The drill grid at Mtonya remains coarse for an ISR uranium deposit (diamond drill holes 50 metres apart in fences spaced at 250 metres). Further infill drilling within the resource area and lateral extension of known mineralization could lead to a substantial increase in the resource estimate

In addition to the mineralization being open laterally, there is a potential for significant uranium mineralization in Tiers 2 and 3 below Tier 1.

Two other priority radiometric anomalies to the southwest, Lukimwa and Nyoka, are targets for further exploration.

Including Lukimwa and Nyoka, less than 10% of the prospective lithologies on the Mtonya Property have been drill-tested so far.

The Mtonya redox interface and roll-fronts are continuous throughout the 36-kilometre long Mtonya Redox Corridor.

Next development targets

- ▶ Uranium Resources continues to develop the Mtonya resource and anticipates the ultimate exploration target to be on par with or exceed that of ARMZ's Mkuju River Project.

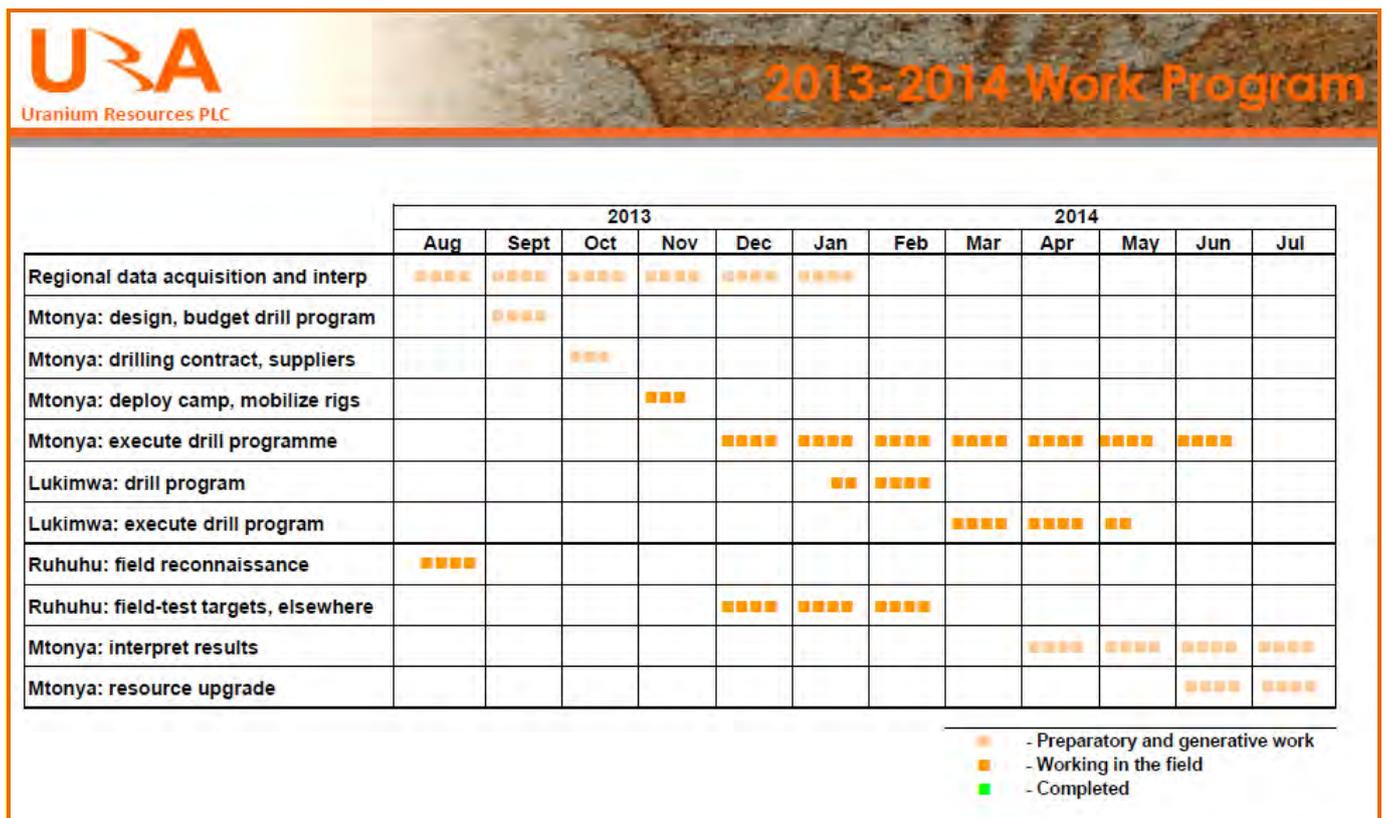
ARMZ is reviewing development alternatives for the Mkuju River Project and recently reported pump-test results demonstrating favourable ISR conditions (rock permeability and hydraulic conductivity) for the deposit's deeper portion.

- ▶ Uranium Resources plans extensive infill and step-out drilling, which includes drill-testing the Lukimwa and Nyoka targets.
- ▶ Using its proprietary methods of modelling the redox interface and roll-front mineralization.

Besides Mtonya, Uranium Resources holds tenements in the **Ruhuhu Project** in another of the Tanzania Karoo basins, which is thought to be prospective for ISR uranium mineralization.

The Company is compiling a comprehensive dataset for its Ruhuhu Basin tenements.

2013 – 2014 Work Program



Management

Alex Gostevskikh, Managing Director, MSc MBA, is a geologist with over 20 years of experience in international mining and exploration for such commodities as gold, silver, and non-ferrous and base metals. He has extensive corporate experience through his involvement with a number of listed companies on the TSX and NYSE markets. He was a Regional Exploration Manager for Centerra Gold, the largest Western gold producer in Central Asia and has held other positions including Exploration Manager for Gulf International Minerals, Senior Geologist for Kinross Gold/Amex Gold, as well as consulting engagements with a number of major and junior mineral exploration companies. His past involvements have helped him build a valuable network of contacts in the mining and related industries across multiple regions of Central Asia and the Middle East.

Ross Warner, Director, Chairman(LLB, LLM) is an experienced director of listed resource companies. He trained as a lawyer and worked in the corporate finance departments of law firms including Mallesons Stephen Jaques in Australia and Clifford Chance in the UK.

Viacheslav Medvedev, Non-Executive Director, a qualified geologist since 1980, specialising in prospecting and mineral exploration, worked for a number of exploration companies in Kyrgyzstan and Russia. In addition, he has over 10 years of corporate experience having worked for a number of Russian focussed companies advising on matters of finance, accounting and business development. Mr. Medvedev is a member of the Board of Directors of Alef-Bank, a Russian Federation bank, and acts as an investment advisor of Eastlink Lanker plc, which was established to explore new industrial and financial investment opportunities in areas such as mineral exploration and extraction, equipment for oil extraction, banking and corporate consultancy. He is also a Director of Estes Limited, a cornerstone shareholder of Uranium Resources, which is part of the Tangent Fund Group.

Dimitri Pashov Non-Executive Director, a qualified English solicitor and Russian lawyer, has worked for various international law firms, banks and companies since 1994. Since qualifying as a solicitor at Norton Rose, he has worked as General Counsel for the Bank of Tokyo-Mitsubishi UFJ in the UK and Head of Corporate Finance Legal at Rusal in Moscow. He is currently General Counsel at Eastlink Lanker plc.

James Pratt, Non-Executive Director, (BSc (Hons), Grad Dip Fin. Investment) is a geologist with over 20 years experience in the mining and exploration industry in Australia, Africa and Central Asia. He has been a director of a number of listed companies both in the UK and in Australia. Mr Pratt speaks kiswahili and was Chief Mine Geologist for the 2 million ounce Golden Pride mine in the Lake Victoria goldfields of Tanzania between 1998 and 2001. Mr Pratt has been integral in building the Company's presence and portfolio of licences in Tanzania.

Andrew Lewis, Non-Executive Director, BSc MBA ARSM, has nearly 30 years of corporate experience having managed mining operations in Western and Eastern Europe and the former Soviet Union. He was formerly the General Manager of Atlantic Mining, a privately owned company with gold exploration and bauxite development projects in West Africa, and with additional opportunities being generated elsewhere in Africa, and SE Asia. Previously Mr. Lewis was General Director of Nui Phao Mining JV Co, Ltd, building an open pit tungsten-bismuth-fluorspar-copper-gold mine in northern Vietnam. Prior to this he was President of Kumtor Operating Company in the Kyrgyz Republic, a subsidiary of Centerra Gold where he was responsible for corporate management, operations and development.

Finance

On March 26, 2013, Uranium Resources announced that it had entered into a US\$ 1 million loan facility agreement with its major shareholder and strategic investor Estes Ltd. The loan, which is unsecured, is available for a period of 18 months and bears interest at LIBOR and will be used to fund working capital requirements.

To date, the Company drew up to \$ 800,000 from the loan facility for development for the Mtonya Project.

Investment recommendation:

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With the Company's ultimate exploration target for the Mtonya resource to be expected on par with or exceed that of ARMZ's Mkuju River project, at a current market capitalization of £ 6.5 million, we consider the shares of Uranium Resources to be significantly undervalued.

Our first price objective is 2.50 pence.

