Uranium Resources, Inc.
Second Quarter 2009 Financial Results Teleconference & Webcast
August 10, 2009

Operator: Greetings and welcome to the Uranium Resources Second Quarter 2009 Financial Results Conference Call. At this time all participants are in a listen-only mode. It is now my pleasure to introduce your host, Mrs. Deborah Pawlowski, Investor Relations for Uranium Resources.

Deborah Pawlowski: Thank you, Melissa, and good afternoon, everyone. We appreciate your time today and your interest in Uranium Resources. On the call is President and CEO, Dave Clark; Executive Vice President and Chief Operating Officer, Rick Van Horn; and Chief Financial Officer, Tom Erlich. Dave is going to provide some comments regarding the Company and today's release, as well as the outlook; and Tom will then do a brief review of the financials. After that we will open it up for Q&A. If you don't have the news release, it can be found on our website, which is www.uraniumresources.com.

As you are aware, we may make some forward-looking statements during the formal presentation and the Q&A portion of this teleconference. Those statements apply to future events which are subject to risk and uncertainties as well as other factors that could cause the actual results to differ materially from where we are today. These factors are outlined in the news release as well as in documents filed by the Company with the Securities and Exchange Commission. You can find those at our website where we regularly post information, as well as the SEC's website, which is www.sec.gov. So please review our forward-looking statements in conjunction with these precautionary factors.

With that, let me turn it over to Dave to begin the discussion.

David Clark: Thanks, Debbie. Good afternoon, everybody. Thanks for giving us a small piece of your summer to listen to what I believe you'll find to be some very good news about URI. I have to tell you, I've been looking forward to this day for the past several months, when I can finally feel free to tell you the full extent of our actions this year and how these actions are helping us achieve the main objective of our strategic plan. When I drafted the strategic plan two years ago, the internal vision statement called for URI to become a $20-per-share company. Of course, that was when uranium prices were headed above $100 per pound and URI was trading at $8 per share.

On the March 2009 call, I talked about my expectation for uranium to trade in the range of $40 to $70 per pound U_3O_8over the next several years. Nothing has happened since to change that view. I still believe a $40 price will continue to offer major support, given cost curve considerations, and that $70 is high enough for supply to meet demand in an economic environment where new reactor schedules may be pushed out a few years, together with the real possibility that the Obama administration, in an effort to fight runaway deficits, may elect to increase uranium sales.

Given these expectations, we refined our strategy earlier this year to focus our attention on the development of the Crownpoint uranium project which led us to shift toward building our ISR resources and move away from conventional mining for now, given it is simply not economically viable in today's market. This refinement of strategy, together with everything that has happened this year, has changed my per-share value expectations for URI in an unexpected way.

I now believe we can generate values significantly higher than $20 per share, even in this market. But how do we create that value? The formula is really pretty simple in concept. In the 30-plus years I have been in this industry, the most reliable metric for valuing uranium companies has been the value of pounds in the ground. The numbers I refer to are published every week by UBS in their Uranium Sector Update. It generates this metric by taking a publicly-traded uranium company's enterprise value and dividing it by that company's uranium reserves plus measured and indicated resources. The latter being the equivalent of the SEC-compliant uranium mineralized material. For the sake of ease, I'm going to use the term "resources" and not "uranium mineralized material" throughout this presentation.

There are 30 companies on the UBS list that are broken down into six producing companies and 24 exploration companies. The six producing companies, which includes Cameco, ERA, Paladin, Uranium One, Denison, and First Uranium, the average enterprise value per pound in the ground as of July 17, 2009, was $10.60. That means these companies' average trading value equals $10.60 for each pound of reserves plus measured indicated resources they had in the ground. The average for the 24 exploration companies, of which URI is a part, is $12 per pound.

As I'm sure many of you are aware, the value for URI, including the NZU properties we're about to acquire, is all of $0.44 per pound in the ground. So, why the rock-bottom valuation? Obviously, it reflects the near universal belief the Navajo ban on uranium development that encumbers our resources will never be removed, and therefore, URI will never be able to use its NRC license to mine its 136 million pounds (post NZU acquisition) in New Mexico. That is why we are priced where we are. It is also why it has been relatively easy for us to acquire the properties we need to reach our strategic goal to amass 200 to 300 million pounds in uranium assets. In my view, we take the pounds when nobody else wants them and that is the opportunity we were given with NZU.

We've been working to acquire the NZU properties since the beginning of the year. This is an extremely valuable asset given the 20 million to 35 million pounds that are on properties URI previously leased and are included under our NRC license. On top of the 35 million pounds, we are also picking up 113,000 acres of exploration properties that, along with our own properties, now give us 300,000 acres that covers a stretch of land from Churchrock in the western district to Mount Taylor in the east. When we close this transaction, we owned over 136 million pounds of uranium in New Mexico. In addition, we were licensed to mine 27 million pounds at Unit One which is located just outside of Crownpoint. We no longer hold the leases on these properties because they are owned by Navajo allotees who are prevented from entering any leases because the BIA recognizes the Navajo ban. But given our capability to develop these resources because we hold the license, we believe we would be able to obtain the leases when the ban is lifted.

If you add Unit One to our resource base, this would take us up to 165 million pounds uranium that we either own and/or have a license to mine. In addition, we are in advanced negotiations to acquire additional resources that would take us up towards 200 million pounds. We can acquire these properties mostly by trading assets we have in a way that will allow us to increase and upgrade our resources for ISR production under our Crownpoint project. In summary, it is now possible for us to reach our near term goal of 200 million pounds without the use of significant cash or the issuance of new shares. I would also add the opportunity to increase our resources from 200 million to 300 million pounds will come once the ban is lifted, given most of these pounds would come from the Navajo allotees. I expect the acquisition of these resources will not require any further financing either.

One response to the announcement of the NZU deal was understandable. Why pay anything now to acquire resources you cannot mine? There are two important reasons why we should build our resources now. First of all, these assets will never get any cheaper given the universal belief that we will never be able to resolve the Navajo ban, something I had not wanted to refute until now, given our desire to first acquire resources at the lowest possible cost. It was the addition of these resources at such a low cost that led me to raise my estimated potential valuation to significantly above $20 per share.

The second reason for acquiring more resources now is to create strategic value. Few companies in the world can build this size resource base and no one can even come close in the United States. By comparison, our resources can be two to three times the size of Cameco's U.S.-based Power Resources and when you look at the UBS listing of 30 companies, our 136 million pounds places us fourth on that list, putting URI between Paladin's 277 million pounds and Uranium One's 114 million pounds of reserves plus measured indicated resources.

I believe the size of our resource base is extremely important in building the value of this company. One reason there have been so few mergers and acquisitions during a time when most investors and analysts were expecting a wave of activity is the fact that there are a few companies of sufficient size for major uranium companies to acquire that would significantly influence their bottom lines. The fact that we are building by far the largest resource base and have an NRC license to produce the 3 million pounds per year at our Crownpoint project is what is now attracting attention of major industry players. We are in discussions with several companies who have had a stake in seeing production in New Mexico and are interested in partnering with us to help bring production on line. I will discuss these potential partners more in a few minutes.

For those of you who aren't keeping up with the math, if we acquire the 200 million pounds that are now within our grasp, and if we are able to resolve the Navajo ban, at a value of $10 per pound in the ground, which is the average for producing companies, that will make us more than a $30 stock, not a $20 one. That is possible without any dramatic increase in uranium prices. In fact, it is possible, if the prices remain in the $40 to $70 range that I expect over the next several years. If you like the uranium space as I do because of the compelling long-term fundamentals, and you're not sure when the next price spike will come, I would suggest there's no other company that can offer the potential returns URI can without an increase in uranium price at all. If that price spike comes, we can do even better.

Now that we've discussed the future valuation potential for URI, let's cut to the chase and talk about the prospects for removing the Navajo ban on uranium development, since that is the key issue for unlocking the full value of this company. Thankfully, I now have the freedom to be far more open about what we have been doing now that we have picked up the properties we were seeking. But first, a little history.

It was only four short years ago that the Navajo Nation declared the end of uranium mining in New Mexico. Navajo President Joe Shirley's spokesman, in announcing the ban, stated the President's belief that "the powers that be that permitted uranium mining on Navajo lands have committed genocide". There are too main legitimate issues the Navajos have with uranium: The legacy problems of past mining and the fear that future mining, if not done safely, will only add to the problems that already exist. The Dine Natural Resources Protection Act of 2005, otherwise known as the uranium ban, details what the legacy issues are. In short, they deal with the need for monetary compensation for health-related problems of former uranium workers and their families, and the need to remediate hundreds of uranium mines, tailings piles, and waste piles located in Navajo Indian country.

President Shirley has been leading the cause to clean up all the contamination from decades of uranium mining on Navajo lands. He has been successful in taking a local issue and bringing it to national attention. There have been congressional hearings and frequent articles in major newspapers, like the *New York Times* and *Los Angeles Times,* that deal with legacy issues of the Nation, and his efforts have advanced this cause.

One success appears to be a much stronger push from the state and national regulatory agencies to finish the cleanup of the northeast Churchrock site that is owned by UNC, a wholly-owned subsidiary of General Electric. This was the site where the Navajos recently marked the anniversary of the disastrous tailings spill 30 years ago. Recounting that spill has shown the deep concerns and pain the Navajo people feel over uranium history and is the reason one of their primary goals is to remove all the tailings and surface waste on Navajo lands.

Our approach has been to acknowledge the industry's past sins, even though it was not our company that created them. As you've heard me say before, we have been working to pass the legacy bill in the New Mexico legislature that will provide the funds needed to remediate the abandoned mine sites; and we are trying to find other ways to help the Navajo implement workable solutions. This past May, we began a weeklong assessment of our Section 17 Churchrock property with the Navajo Nation EPA to determine the radiation levels that may exist from previous mining operations and potential impact on the air, soil and water in the area. While URI never mined this site, the assessment is a good first step for us to demonstrate to the Navajo our intent to help resolve legacy issues.

Regarding the site assessment and our work together, Navajo Nation EPA Executive Director Steven Etsitty, who has not been one of our biggest fans, said publicly, "URI is being much more proactive in working with us than in the past to make sure that any contamination that wasn't fully addressed in the past is fully addressed today". While we are working with the Navajo to resolve legacy issues, we are also working hard to demonstrate that future mining using ISR methods can be done safely and will not add to legacy problems. At the end of ISR mining there will be no radioactive waste left on the surface as was the case with conventional mining. And it's important to say that in 40 years of ISR mining, there has never been a ground water excursion that led to adverse affects of the nearby water wells outside the mine zone. Of course, that is what we say, the same industry that left the Navajo with legacy problems to fix in the first place.

This is where our work to become the world leader in ISR groundwater restoration technology comes in. Ground water restoration is the only environmental issue with ISR mining. Since the beginning of the year, we have been working with the other operating ISR companies in the U.S. to coordinate our restoration efforts. More importantly we are receiving significant federal government support for three national laboratories: Pacific Northwest, Los Alamos and Sandia, as well as the United States Geological Survey.

Last week we drilled holes to recover core samples at Kingsville Dome that will be used by Pacific Northwest and USGS for column studies to analyze the reducing capacities of mined out ore zones; and Los Alamos collected groundwater samples across the Rosita project that ran from the oxidized zone to beyond the mined out reduced side of the ore deposits. They are using the latest state-of-the art analytical machines to measure minute changes in natural isotope ratio between U-238 and U-235 that occur in the reduced zone of an ore body. In theory, this could allow them to quantify reducing capacities in ISR projects and restoration to determine if natural attenuation can act as an ultimate safeguard.

All this research being done carries the promise that ISR groundwater restoration can be made even safer and possibly at lower costs. While all this work is important, the research by Los Alamos and Sandia may prove to be the most valuable, given their position in the state of New Mexico where they rank among the most highly esteemed institutions. It is one thing for URI, the NRC and EPA to say ISR mining can be done safely. It is something else entirely for these highly credible independent labs to be able to verify the findings of the environmental safety of ISR mining.

Once the environmental safety aspects of ISR mining are more readily accepted, the economic benefits from the mining can be gained by everyone, including the Navajo Nation. Historic data suggests there are sufficient known resources on the Nation to produce 3 million pounds U3O8 per year by ISR methods for 20 years or more, an amount equal to our Crownpoint project. This would create more than 300 direct well-paying jobs and 500 indirect jobs. At $50 per pound, this project would generate $150 million per year of revenue with all the profits going to the Nation, and given the long-term fundamentals for uranium, this would be the low end of what I believe is possible.

If they can use low-cost electricity generated from Navajo coal, they could reach significant operating savings as well. Uranium mining on the Nation could generate economic benefits similar to those the Navajo are trying to realize from their Desert Rock energy project. According to their website, that generating station and the associated coal mine would create 400 direct jobs and $42 million in annual tax and royalty revenue for the Nation. The justification that President Shirley has used for developing this project echos the claims URI has been making for the past 20 years, namely this will be state-of-the-art power generation that can and will be done safely and will generate jobs and revenue that are desperately needed on a reservation suffering from 50% unemployment.

Uranium resources that are owned by the Navajo Nation, the Navajo allotees and URI add up to significantly more than 300 million pounds U3O8, all of which we believe can be developed by ISR means, making this one of the largest low-cost uranium districts in the world. These are resources the Navajo can develop for their own benefit, and we are willing to provide any assistance they would need to do so. By working together we believe we can provide economic benefits to all while helping clean up past legacy issues.

I believe the best way for us to resolve our local issues is to make the Crownpoint uranium project a project of national importance. As I discussed earlier, we are in discussions with several major industry players who have a stake in seeing production return to New Mexico. This will very much follow the model Urenco used to gain the support needed to build its new enrichment facility in Hobbs, New Mexico, which is slated to start up by the end of this year. In return for supply contracts, these companies will help us gain the backing and support we need on a federal level to resolve the issues both we and Navajo are dealing with.

I’m pleased to say there’s been a substantial amount of progress in our dealings with the Navajo. When I came into the company three years ago, there was no contact with the Navajo Nation because all communication with uranium companies was prohibited as part of the ban. However, in the past few years we have gone from no contact at all to having very productive discussions with the Navajo on many levels.

Part of this has been the result of URI's efforts to educate the public about the safety of future uranium mining versus the dangerous mining practices of the past. We have met with community leaders one-on-one, worked with community organizations, and taken community and political leaders on site tours of our Texas properties where we demonstrate the small footprint of an ISR mining operation relative to a conventional mining mill and show them how we're going to restore these properties.

The downturn in the economy is also now leading to a change in attitudes towards uranium mining, given jobs and the economy are the main concerns in New Mexico just as they are everywhere else these days. This is giving us a new opportunity to show the Navajo why uranium mining of the future will be nothing like the past, that it can be done safely in an environmentally benign way using ISR methods.

As a result of our education efforts and the troubled economy, we are now seeing more elected officials willing to publicly express their support for uranium. In April, Governor Richardson, for the first time, publicly said he supports new uranium mining as long as it can be done safely. More importantly, we have seen a growing number of Navajo stepping forward to challenge the hardliners. This includes some ranking officials within the Navajo Nation who have left openings in public statements for new paths forward. For example, Budget and Finance Committee Chairman, LoRenzo Bates, said, "Given the lack of any further revenue outside the casinos, outside of Desert Rock that is yet to become a reality, the President may end up looking at some sort of involvement with uranium"; and from the *Navajo Times* dated March 19, 2009, "There is another generation born long after the last uranium boom and they may be willing to take a chance on the yellow ore once more".

A few weeks ago, New Mexico State Representative, Sandra Jeff, a Navajo representing the Churchrock and Crownpoint areas, travelled to Washington, D.C. with us to meet with the New Mexico delegation to support funding for the cleanup of abandoned mines. Even Navajo Nation President, Joe Shirley, recently softened his tone in saying, "We will stand our ground until the terms of the Dine Natural Resources Protection Act are met". Those terms are addressed in the ban itself. "The purpose of the Dine Natural Resources Protection Act of 2005 is to ensure that no further damage to the culture, society and the economy of the Navajo Nation occurs because of uranium mining within the Navajo Nation and the Navajo Indian country, and that no further damage to the culture, society, and economy of the Navajo Nation occurs because of uranium processing until all adverse economic, environmental, and human health effects from past uranium mining and processing have been eliminated or substantially reduced to the satisfaction of the Navajo Nation Council".

"Until" is the operative word in that statement and may be the reason several Navajo officials are now saying the ban was never meant to be permanent. As such, the same administration that not that long ago compared uranium mining to genocide is now figuring that the ban could be lifted if the legacy issues are addressed in a satisfactory manner.

The change in attitudes towards new uranium mining we have seen over the past six months have been truly remarkable. In fact, we have now reached the point where I no longer view the Navajo as being opponents to what URI is trying to do. Instead I see them now as being our potential partners.

We want to partner with them to address legacy issues and have done so in our joint work on Section 17 at Churchrock. We want to partner with them on passing the legacy bill in the New Mexico legislature that would provide the funding needed to clean up old mine sites on Navajo lands. We want to partner in helping them establish their sovereignty over Navajo Indian country and would like to find a resolution of the jurisdictional dispute in the Tenth Circuit Court to enhance their sovereign position; and we want to partner with them on uranium development that could benefit us both.

Our education programs, the work with the national labs on the groundwater restoration, and the partnering with major industry players are not the only initiatives we are working on to help resolve these issues; they are just the ones we can talk about now. Rest assured, URI will do everything we can to resolve these issues so we can begin mining as soon as possible. We are planning to move our headquarters to Albuquerque to demonstrate our commitment to the State of New Mexico and we are looking to add influential board members from the state who can help us resolve the issues we face. There is no doubt in my mind we will prevail in the end because the benefits to be gained by everyone, including the Navajo, are just too overwhelming to dismiss the importance of uranium mining for New Mexico.

I started by discussing what the valuation of the Company would be if we could obtain full value by resolving the Navajo ban, and then told you all we are going to do to resolve that ban. Of course, the natural question is how long is all of this going to take? I've always subscribed to the first rule of forecasting: if you give a price, never give a time; but I'm pleased to tell you I strongly believe we are on the doorstep of being able to realize the full value of this company's considerable assets, not five years from now or beyond but in as little as one-half that time.

At least that's what I believed until just about an hour ago when I was given some news that was so incredible, I simply couldn't believe it. I was absolutely stunned when I was told there was a chance we could hear an announcement as early as tomorrow that the ban on uranium mining could be lifted by the end of this year. Do you have any idea what that means for us?

Unfortunately, it was my wife who told me the news and she was just messing with me. Her name is Joy and that's what she wanted me to feel, if only for a brief moment. I'm sorry to say the news is not true. There will be no such announcement tomorrow. There are still too many serious issues to be resolved before that can happen.

However, I hope you just got a taste of what you would think and do if you did suddenly hear that news. And here's the point I want you to carry away. I don't believe our stock needs an announcement that the ban has been removed to go from being valued at $0.44 to $10.00 in the ground. Any developments that would happen along the way that should increase the visibility and the probability of such an event occurring, and I think given all that is happening, it is ridiculous for us to be trading at a 96% discount that is entirely based on the Navajo ban.

The fact is we are the only ones talking to the Navajo, so we are the only ones who are in a position to see how much their position has changed. In my opinion, the near-universal belief that we cannot resolve the ban is based more on cynicism than it is on up-to-date information. Although I can't tell you when the ban will be removed, I do believe the probability of such an event happening is not zero. Perhaps it will come with the new Navajo administration that will be elected at the end of next year. Maybe it will come sooner if we can find a way to work together for everyone's benefit. That said, I don't feel a whole lot of downside risk for our company either, given our asset base that has the potential to generate a 30-fold return to our shareholders over the next few years without any change in uranium prices.

Now that you have a good idea what the Company could be worth when the ban is removed, I'd like to spend a few minutes talking about how much it's going to cost for us to realize this great potential return. I hear a lot of concerns about our financial position and what we're going to do to survive in this tough market. Let me try to put those concerns to rest.

First, I'll talk about our cash burn that we now no longer have any producing properties in Texas; and second, I want to address another major concern that deals with how we're going to finance development at Churchrock once we've seen the final permits we need to begin mining.

Now that we have shut down production, we expect our costs to be roughly $6 million per year. While we believe we can cut that rate even further, we already have one of the lowest burn rates for any development company, mainly because the other companies have to spend large sums of cash to gain the licenses and permits we already have in Texas and New Mexico.

Granted, we do have restoration costs that other development companies do not have, but this currently amounts to only $1.4 million per year, or less than 25% of our annual budget. Economically, it's far more cost effective to restore quickly; therefore, trying to save cash by taking slower paths towards restoration makes little economic sense. As I discussed earlier, we are also using our current restoration to great benefit to help us demonstrate that ISR mines can be fully restored and pose little environmental harm. Let me remind you, we will get all that money back – what we are now spending on restoration – as soon as we are finished and our cash bonds are released.

Outside of restoration, the rest of our costs come from maintaining our Texas properties, public company expense, corporate overhead, and advancing our

New Mexico strategy. If needed, we will cut our cash burn. That would come at the expense of slowing down our projects in New Mexico or diminishing our capability in Texas.

I have said on previous calls, that one area to look at in order to raise capital was the possibility of monetizing assets. To that end, I can now tell you we issued a request for proposals at the end of last year to a limited number of companies who might have an interest in purchasing our Rosita project.

Rosita is a fully licensed ISR processing facility that has been completely refurbished. It also has associated reserves that can be used to initially start up a plant. In addition, the groundwater in all the previously mined areas, other than wellfield 8, which we started up and shut-in last year, have been operationally restored. These production areas are now in the third quarter of sampling which is part of the two-year stability period that is required to complete the groundwater restoration program.

As such, Rosita is an attractive asset with limited remaining groundwater restoration required. We had serious interest from several companies and received offers to buy Rosita, but none of those offers, in our opinion, matched the value of these assets. Granted, the first half of this year was not a great time to be selling anything. But that said, our Rosita and Kingsville Dome processing plants are extremely valuable, not only for what they can do for us in Texas once the market moves higher, but also what they can do for us in New Mexico as well.

This takes me to the second issue–how are we going to finance the development of Churchrock once we obtain the last permits we need? The fact of the matter is, Churchrock can be developed as a satellite operation the same way Vasquez was a satellite of Kingsville Dome. We have five satellite units that were used at Kingsville Dome, Rosita and Vasquez. They each have a capacity to process a thousand gallons per minute and cost $600,000 apiece. We believe it will take four to five satellites to produce a million pounds a year at Churchrock, and therefore, require no additional capital if these satellites are used in New Mexico. The lowered resin from Churchrock would then be trailered to Texas for processing at either the Rosita or Kingsville Dome processing plants.

This would save us $10 to $15 million in upfront capital to build a processing plant in New Mexico. Already having the satellites, the resins, the resin trailers and the processing plant, the main development cost for bringing Churchrock online will be a few million dollars to install the first wellfield. That's all we would need to spend before this operation would begin generating positive cash flow. That gives us a distinct advantage over our competitors who, once they obtain all their licenses and permits, will need to buy all the equipment to get into production. This is a considerable advantage and one we will not give up by monetizing a valuable asset at sharply discounted prices.

In addition, we also retain the option to dismantle and ship the entire Rosita plant to New Mexico, lock, stock and barrel. I suggest, given our relatively low cash burn and the minimal cash requirements we will need to start up production in New Mexico, coupled with our extraordinary upside potential, I believe we'll be able to acquire the financial resources we will need to operate beyond the end of 2010, either through funding from industry sources or from the financial markets.

In summary, I hope you now have a much better understanding of what we have been doing over the course of this year. My principal job is to create value for our shareholders. I have given you a roadmap of how we intend to triple our uranium assets in New Mexico and the outline of our plans to work with the Navajo to resolve the ban on uranium development, and I have shown you how this could all lead to a value for your company of $30 a share or more. I hope you understand why we have been unable to keep you better informed, as we've said, before we put all the pieces together this year. Moving forward, you should now expect to hear from us quite often given all we expect to be able to tell you for the rest of year.

With that, I'd like to turn it over to Tom to review the second quarter financials.

Thomas Erlich: Thank you, Dave. Our South Texas production activities ceased in June of 2009, as Dave said. Our second quarter production totaled 20,300 pounds. Since October of 2008, all of our new production has been from the Kingsville Dome project. Direct cost of production for the current quarter was about $36 a pound, roughly $10 higher than what our costs were in the first quarter. As we had communicated previously, we said that we would remain in production as long as our activities maintained a positive impact on our cash flow. As our production volumes declined and the costs increased, we made that decision to cease our production in the June timeframe.

At the end of the second quarter we had just under 21,000 pounds of uranium inventory, which was produced at an average cost of just under $30 a pound. The inventory that we carried at the end of June was included in a sale that we made in the first week of August totaling just under 23,000 pounds. The average price for the material that we delivered in August was over $47 a pound, which results in revenue of just over $1 million dollars that will be recorded and received in the third quarter of this year.

Our sales revenue for the second quarter of 2009 was $1.8 million on 36,300 pounds. The average sales price that we received for that material was $48.85 a pound. The cost related to our uranium sales during the quarter was about $25.83 a pound, totaling 945,000 pounds. The cost of sales that we saw from operations was $20.85 a pound and our depletion, depreciation and amortization cost that we recorded during the quarter was about $5 a pound.

The other expenses related directly to uranium sales was primarily our royalties and commissions, and what we saw during the first quarter there was $167,000 or $4.56 a pound, representing approximately 9.3% of our sales during the quarter. Our cost of sales also included an impairment provision related to the write-down of our carrying value of the Company's uranium properties, totaling about $1.2 million.

Going down to the general administrative expense side of the income statement, our corporate expenses including G&A were about $1.5 million for the first quarter, representing a $1.2 million reduction from what we saw in the first quarter of 2008. Again, as we've scaled back production and as we've scaled back office space, comparing year-to-year, we've implemented a number of cost-cutting measures which began in the second and third quarter of 2008 and allowed us to reduce our costs when compared to 2008.

The significant categories for the G&A cost that we saw during the quarter were non-cash stock compensation expense of $222,000, personnel costs including salary and benefits of $512,000, and consulting and professional services of $274,000. Included in some of those numbers were, as Dave mentioned earlier, a number of assessments done related to the legacy issue of Section 17 at Churchrock on which we spent and incurred numbers approaching $100,000 during the quarter to further our position with demonstrating the safety with the Navajo Council. Legal, accounting and other public company expenses were about $300,000 and other G&A costs were about $270,000.

In regard to our sources and uses of cash during the quarter, we had a cash balance of $9.3 million at the end of June, a reduction of just 800,000 from where we were at March 31st. During the quarter we used $640,000 in operations. The uranium sales that we had in April brought in operating cash at the beginning of the quarter, and the remaining of the quarter our operating activities included production, restoration and reclamation activities for our South Texas project.

During the second quarter, our 2009 CAPEX for uranium property, plant and equipment was about $145,000. That was primarily for land holding costs, down slightly from the $214,000 that we saw in the first quarter of the year. The reduction in capital spending for our uranium projects corresponds, again, with our decision in the second and third quarter of 2008 to defer the future development at Kingsville Dome and Rosita. Also during the second quarter, we increased our restricted cash by $40,000 to collateralize financial surety obligations for South Texas projects. Rounding out our financing activities, we used $41,000 to pay down obligations for capital leases and equipment financing.

Talking about the cash being spent, as Dave said, our current operating cash balance plus the receivable that we generated from our August uranium sale, is about $9.4 million. Since the end of the second quarter, we've ceased production activities and with that cessation in production activities, Dave did mention our annual burn is roughly $6 million, or $500,000 a month. We are continuing to review all of the areas of the Company for additional cost savings and are looking at exploring other potential revenue generating strategies to minimize the monthly net cash outflow that we have, focusing on cutting costs, and bringing in revenue where we can from whatever options and projects might be available to us.

Dave, back to you.

David Clark: Thanks Tom. With that, Operator, I think we're ready for questions.

Operator: Thank you. Our first question is from the line of David Snow with Energy Equities.

David Snow: I came on late so I'm not sure if you touched on it, but how long will it be before we lift off this malaise in uranium prices?

David Clark: Dave, my view hasn't changed since the March call. I expect it to continue to trade in the $40 to $70 range. I think $40 is pretty strong for, as I said, given the cost curve considerations. I guess you could check back on the transcript of the March call to get that.

David Snow: Okay, thank you.

Operator: It seems there are no further questions at this time. I would like to turn the floor back over to management for closing comments.

David Clark: Thank you very much. Thanks, everybody, for taking the time to listen to us again. It's a gorgeous day in New England. I'm sure it is where you are as well, and thanks for your patience with us. I hope that what we've been able to tell you today helps you understand where we've come from this year and where we expect to go in the next couple years. Thank you very much.