

**URANIUM RESOURCES, INC.
AUDIT COMMITTEE CHARTER**

PURPOSE

The purpose of the Audit Committee (the "Committee") is to assist the Board of Directors in discharging its responsibilities with respect to the accounting policies, internal controls and financial reporting of the entity. The Committee is also responsible, for monitoring compliance with applicable laws and regulations, standards and ethical business conduct, and the systems of internal controls. The Committee shall have the authority to retain special legal, accounting or other Consultants to advise the Committee. The Committee may request any officer or employee of the Corporation or the Corporation's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

MEMBERSHIP

The Committee shall consist of at least three directors, all of which must be independent. Each member is to be financially literate and at least one member must have accounting or related financial management expertise. Committee members will be appointed annually. The guidelines issued by the National Association of Securities Dealers will be followed to determine independence. Statements regarding independence shall be submitted by each member of the Committee annually, prior to their appointments.

Independence restrictions can be overridden by the Board of Directors should it determine that membership on the Committee by the individual is in the best interest of the Corporation and its shareholders. The Board will disclose in the subsequent proxy statement the nature of the relationship that makes that individual not independent and the reasons for the Board's determination to appoint the director to the Committee.

RESPONSIBILITIES

The Committee has the following responsibilities and reporting requirements:

1. The Committee shall meet on a regular basis and call special meetings, as circumstances require.
2. The Committee shall report its activities to the Board on a regular basis, such as after each meeting, so that the Board is kept informed of its activities on a current basis.
3. Review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.
4. Assure that the charter is published in the proxy statement at least once every three years.

5. Review and recommend to the Board the independent auditors to be selected to audit the financial statements of the Corporation, its divisions and subsidiaries.
6. Receive periodic reports and/or disclosures from the independent auditors required by ISB Standard No. 1 delineating all relationships with the Corporation, review any disclosed relationships that may impact the objectivity and independence of the auditor and recommend that the Board take appropriate action in response to the independent auditors' report to satisfy itself of the auditors' independence.
7. Approve the fees of the independent auditors budgeted for each year.
8. Evaluate the performance of the independent and internal auditors, making recommendations to the Board accordingly.
9. Review with management and the independent auditors the Corporation's quarterly financial statements prior to the release of quarterly earnings.
10. Review the internal audit function of the Corporation including the independence and authority of its reporting obligations, the proposed audit plans for the coming year and the coordination of such plans with the independent auditors.
11. Meet periodically with management to review the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.
12. Meet with the independent auditors and financial management of the Corporation to review the scope of the proposed audit for the current year and the audit procedures to be utilized, and at the conclusion thereof, review such audit including any comments or recommendations of the independent auditors. Discussions should also include communication of any matters as required by SAS 61.
13. The internal auditor shall have direct communication with the Committee. The internal auditor shall attend audit committee meetings and meet privately with the Committee at least annually.
14. Review the annual audited financial statements with management and the independent auditors, including major issues regarding accounting and auditing principles and practices, as well as the adequacy of internal controls that could significantly affect the Corporation's financial statements.
15. Review with the independent auditors, the Corporation's; internal auditor, and financial management, the adequacy and effectiveness of the accounting and financial controls of the Corporation, and elicit any recommendations for the

improvement of such internal control procedures or particular areas where new and more detailed controls or procedures are desirable.

16. Provide sufficient opportunity for the internal and independent auditors to meet with the members of the Committee without members of management present. Among the items to be discussed in these meetings are the independent auditors' evaluation of the Corporation's financial, accounting and auditing personnel, and the cooperation that the independent auditors received during the course of the audit.
17. Review with the Corporation's general counsel and outside counsel when appropriate, any legal matters that may have a material impact on the organization's financial statements, the Corporation's compliance policies and any material reports or inquiries received from regulators or governmental agencies.
18. Review with the independent auditor any problems or difficulties the auditor may have encountered and any management letter provided by the auditor and the Corporation's response to that letter. Such review should include any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities of access to required information, any changes required in the planned scope of the internal audit, and the internal audit department responsibilities, budget and staffing.
19. Advise the Board with respect to the Corporation's policies and procedures regarding compliance with applicable laws and regulations and with the Corporation's By-Laws and other adopted policies and procedures.
20. Prepare the report required by the rules of the Securities and Exchange Commission to be included in the Corporation's annual proxy statement.
21. The Committee shall instruct the independent auditors and the internal auditor that the Committee expects to be advised if there are any areas that require its special attention.
22. The Committee shall obtain from management explanations for all significant variances in the financial statements between years. The Committee should consider whether the data are consistent with the Management's Discussion and Analysis (MD&A) section of the annual report.
23. The Committee shall determine the open years on federal income tax returns and whether there are any significant items that have been or might be disputed by the IRS, and inquire as to the status of the related tax reserves.

24. The Committee and the Board of Directors shall consider whether the independent auditors should meet with the full Board to discuss any matters relative to the financial statements and to answer any questions that other Directors may have.
25. Complete the required communication with the Securities and Exchange Commission or other regulatory agencies regarding member independent, member expertise, and annual review and reassessment of the charter.