



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Uranium Resources, Inc. Reports Third Quarter Results

- ♦ **Redeployed assets from Vasquez property and recognized impairment**
- ♦ **Additional drilling rigs and logging tools enables \$3.5 million development program at South Texas properties**

LEWISVILLE, TX, November 14, 2006 --- Uranium Resources, Inc. (OTCBB: URRE) ("URI"), a uranium exploration, development and mining company, announced today its financial results for the third quarter and nine-month period of 2006 which ended September 30, 2006. In the third quarter of 2006, URI produced 72,630 pounds of uranium compared with production in the third quarter of 2005 of 65,797 pounds. Production for July, August, and September 2006 was 28,000, 14,000, and 30,000 pounds of uranium, respectively. Total production for the first nine months of 2006 was 187,000 pounds.

Revenue in the 2006 third quarter was \$2.8 million based on sales of 69,951 pounds of uranium at an average price of \$39.54 per pound. This compares with revenue of \$1.3 million based on sales of 74,340 pounds of uranium at an average price of \$17.00 per pound in the third quarter of 2005. Higher prices received per pound in the 2006 third quarter more than offset the lower quantity of pounds sold.

Production costs for the third quarter of 2006 were \$56.92 per pound compared with \$23.57 per pound in the prior year's third quarter. The higher production costs were primarily due to higher capital and operating costs compared with the prior year and also due to the change in the estimated recovery factor for the Vasquez project from 70% to 50%. Production costs in the third quarter 2006 include \$4.23 per pound from inventory adjustments from a lower of cost or market adjustment at September 30, 2006, and exclude \$8.91 per pound for a lower of cost or market adjustment made at June 30, 2006. Production costs in the third quarter of 2005 include \$5.06 per pound resulting from a lower of cost or market adjustment at September 30, 2005. Production costs at the Kingsville Dome project were \$35.16 per pound for the third quarter of 2006 and \$33.12 per pound year-to-date in 2006.

Net loss for the third quarter of 2006 was \$6.0 million, or \$0.12 per diluted share, compared with net loss of \$2.0 million, or \$0.05 per diluted share, in the same period last year. The third quarter 2006 loss included an impairment provision for the Vasquez project of approximately \$3.3 million. This impairment was necessitated as a result of the carrying value of the assets exceeding their fair value at September 30, 2006. The Company expects that the annual update by an outside engineer of the estimated recoverable reserves at Vasquez will result in a lowering of the Company's reserve estimate.

Our third quarter production consisted of 26,074 pounds from our Vasquez project and 46,556 from our Kingsville Dome project. Our Kingsville Dome project commenced production in the

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second quarter of 2006. Last year's third quarter production of 65,797 pounds was produced completely from the Vasquez project. As discussed, given the challenges at this property, its level of production has measurably declined and was below expectations.

Production and Plans

Texas Properties

The Vasquez project has provided significant technical challenges since its inception in 2004 due to the unique geochemical composition of its ore body and the degree of re-reduction found in the uranium deposited within the formation. When uranium has been "re-reduced" it has in nature been oxidized, reduced and then subjected to additional reductants which results in the uranium being less accepting of oxidation for extraction. These factors have contributed to our production costs at Vasquez rising from \$20.32 per pound in 2005 to over \$46.00 per pound in 2006.

The Company is evaluating its future production plans for Vasquez, which will be based on a number of factors including additional information from technical analyses and the continued strength of the uranium market.

Since the end of the quarter, URI redeployed most of its exploration and development equipment from Vasquez to the Kingsville Dome and Rosita projects. All three properties are located in South Texas. The Company has historically produced from the Kingsville Dome and Rosita projects using the in-situ recovery mining process. From 1988 through 1999, URI produced 6.1 million pounds from these properties.

At the Kingsville Dome project, the first of two new wellfields is scheduled to come online at the end of November. At Rosita, URI expects its first wellfield to begin production in early 2007.

In October, URI initiated a \$3.5 million development program to drill up to 575,000 feet (approximately 1,440 holes) on properties surrounding the Kingsville Dome and Rosita projects. The objective of this program is to drill out the properties' uranium-bearing trends, which will identify and delineate the Texas reserves that may be available for the Company to mine over the next 3-5 years. This in turn will allow URI to develop these reserves in a manner and sequence that will generate the highest economic return. This program has been accelerated by the addition of 5 drill rigs since September, and the delivery of the first of two additional prompt fission neutron (PFN) logging tools in early November. The Company expects to complete this program by the end of the first quarter of 2007.

Dave Clark, President and COO of URI, commented, "We are taking what believe to be the measured steps necessary to develop our uranium assets profitability, so we can capitalize on the strength of the market."

New Mexico Properties

The Company announced on November 10, 2006, that it had launched an internal evaluation to determine the feasibility of developing a conventional mining and a milling complex based on several of the Company's New Mexico properties that are less amenable to in-situ recovery mining methods. The area has historically been the most prolific uranium production area in the United States and the Company has more than 183,000 acres of mineral holdings in the region, excluding its Churchrock and Crownpoint properties. In addition, there are a number of mine shafts in place on some of the Company's properties, which are expected to reduce cost and time for development once all permits are received.

URI is currently awaiting a ruling by the Environmental Protection Agency for determination of the Indian Country Status of Section 8 at its Churchrock property in New Mexico for which it has a Nuclear Regulatory Commission license. It is anticipated that, whatever the ruling, either side will

appeal, therefore requiring further time before the permitting process is complete. The permit process must be complete before any exploration and development activities can begin on the property.

URI has entered into a letter of intent with Itochu Corporation for the development of Section 8 and 17 at the Churchrock property. It anticipates a final joint venture agreement before the end of 2006.

Nine-Month Review

In the first nine months of 2006, URI produced 187,412 pounds of uranium. Of this production, 117,395 pounds were from its Vasquez project and 70,017 were from its Kingsville Dome project, which commenced production in the second quarter of 2006. Production in the first nine months of 2005 was 239,738, all of which was produced from the Vasquez project.

In the first nine months of 2006, URI sold 199,921 pounds compared with sales of 219,000 pounds in the same period of 2005. For the 2006 nine-month period, URI had revenue of \$5.7 million (\$28.41 per pound) compared with \$4.0 million (\$18.40 per pound) in the same period last year. The increase in the sales revenue per pound in 2006 resulted from new contracts entered into with the Company's two customers in March 2006. Revenue in 2005 included \$253,000 from the renegotiation of the contracted price for sales that were made in 2004.

Production costs for the nine-month periods of 2006 and 2005 were \$42.46 and \$15.96, respectively. This year's production costs include the same impacts and adjustments as noted previously for the third quarter.

For the nine months ended September 30, 2006 and 2005, we had net earnings of \$24.1 million and a net loss of \$14.5 million, respectively. The earnings in 2006 included a non-cash gain on derivatives of \$34.8 million and a non-cash impairment provision for the Vasquez project of \$3.3 million. The loss in 2005 included a non-cash loss on derivatives of \$12.1 million.

Liquidity

From April to September 2006, URI's cash burn rate averaged \$1.5 to \$1.6 million per month. Cash balance at September 30, 2006 was \$26.5 million. The Company anticipates that its operating and capital requirements for the remainder of 2006 and 2007 will be met through existing cash and cash generated from operations.

Mr. Clark concluded, "We are an asset rich company with an excellent opportunity to capitalize on these assets. We're focused on turning around our Texas operations, pursuing final permitting for our NRC licensed Churchrock property in New Mexico and on completing the necessary feasibility studies, rights, licenses and permits on the 183,000 acres of other mineral rights we own in New Mexico."

Teleconference and Webcast

The Company is hosting a teleconference and webcast at 10:30 a.m. ET. Wednesday, November 15, 2006. During the teleconference, David Clark, President and Chief Operating Officer, will review the financial and operating results for the period and discuss URI's corporate strategy and outlook. A question-and-answer session will follow. The URI conference call can be accessed by calling (913) 312-1297 approximately 20 minutes prior to the call. Alternatively, it can be listened to at the Company's website <http://www.uraniumresources.com>. Participants should go to the website 10 - 15 minutes prior to the scheduled conference in order to register and download any necessary audio software.

An archive of the teleconference can also be heard by calling (719) 457-0820 and entering passcode 9714076. The telephonic replay will be available from 1:30 p.m. ET the day of the teleconference until

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11:59 p.m. Wednesday, November 22, 2006. The archived webcast will be at <http://www.uraniumresources.com>. A transcript will also be posted once available.

ABOUT URANIUM RESOURCES, INC.

Since its incorporation in 1977, URI has produced over 7 million pounds of uranium by in-situ recovery (ISR) methods in the state of Texas where the Company currently has three ISR mining projects. URI has mineral rights in Texas and New Mexico. Its strategy is to fully exploit its resource base to take advantage of the strong global market for uranium.

Safe Harbor Statement

This press release 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 Company's reserves and mineralized uranium materials, timing of receipt of mining permits, production capacity of mining operations planned for properties in South Texas and New Mexico, planned dates for commencement of production at such properties, revenue, cash generation and profits 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, the spot price of uranium, weather conditions, operating conditions at the Company's mining projects, government regulation of the mining industry and the nuclear power industry, the world-wide supply and demand of uranium, availability of capital, timely receipt of mining and other permits from regulatory agencies and other factors which are more fully described in the Company's documents filed 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 press release.

TABLES FOLLOW.

Uranium Resources, Inc.
Consolidated Balance Sheets

	<u>September 30,</u> <u>2006</u>	<u>December 31,</u> <u>2005</u>
	(Unaudited)	
Current assets:		
Cash and cash equivalents	\$ 26,466,678	\$ 5,852,716
Receivables, net	570,679	32,940
Uranium and materials/supplies inventory	1,213,721	707,949
Prepaid and other current assets	346,825	269,835
Total current assets	28,597,903	6,863,440
Property, plant and equipment, at cost:		
Uranium properties	61,555,774	51,662,223
Other property, plant and equipment	398,362	302,164
Less-accumulated depreciation, depletion and impairment	(47,706,578)	(43,275,660)
Net property, plant and equipment	14,247,558	8,688,727
Notes receivable	39,819	—
Other assets	2,354,982	1,072,026
Long-term investment:		
Certificate of deposit, restricted	1,954,377	1,288,411
	\$ 47,194,639	\$ 17,912,604
Current liabilities:		
Accounts payable	\$ 2,060,414	\$ 1,139,005
Current portion of restoration reserve	1,295,795	1,061,491
Accrued interest and other accrued liabilities	477,131	432,683
Unrealized loss on derivatives, current portion	—	20,424,291
Current portion of long-term debt	36,369	175,833
Other deferred credits	461,640	—
Total current liabilities	4,331,349	23,233,303
Other long-term liabilities and deferred credits	4,366,922	3,823,015
Unrealized loss on derivative, net of current portion	—	26,396,656
Long-term debt, less current portion	506,424	450,000
Commitments and contingencies (Notes 1, 2 and 3)		
Shareholders' equity:*		
Common stock, \$.001 par value, shares authorized: 200,000,000; shares issued and outstanding (net of treasury shares): 2006—51,735,089; 2005—40,952,128	51,773	40,990
Paid-in capital	124,930,206	75,013,668
Accumulated deficit	(86,982,617)	(111,035,610)
Less: Treasury stock (38,125 shares), at cost	(9,418)	(9,418)
Total shareholders' equity (deficit)	37,989,944	(35,990,370)
	\$ 47,194,639	\$ 17,912,604

These financial statements should be read in conjunction with the footnotes associated with these statements and provided in the Company's filings with the SEC. Shareholders' equity information reflects the effect of a reverse 1 for 4 stock split made effective April 11, 2006.

Uranium Resources, Inc.
Consolidated Statements of Operations

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Revenues:				
Uranium sales—	\$ 2,765,606	\$ 1,263,381	\$ 5,678,965	\$ 4,030,293
Total revenue	2,765,606	1,263,381	5,678,965	4,030,293
Costs and expenses:				
Cost of uranium sales—				
Royalties and commissions	241,523	85,478	490,849	268,977
Operating expenses	1,556,587	1,226,868	4,674,015	2,454,685
Accretion/amortization of restoration reserve	86,171	97,133	360,479	268,365
Depreciation and depletion	2,425,327	543,622	3,814,416	1,107,458
Exploration expenses	—	—	234,646	—
Impairment of uranium properties	3,260,201	—	3,260,201	—
(Gain) loss on derivatives	—	647,935	(34,820,947)	12,094,304
Total (gain on) cost of uranium sales	7,569,809	2,601,036	(21,986,341)	16,193,789
Earnings (loss) from operations before corporate expenses	(4,804,203)	(1,337,655)	27,665,306	(12,163,496)
Corporate expenses—				
General and administrative	1,557,083	708,543	4,214,096	2,326,748
Depreciation	9,949	4,447	23,008	12,797
Total corporate expenses	1,567,032	712,990	4,237,104	2,339,545
Earnings (loss) from operations	(6,371,235)	(2,050,645)	23,428,202	(14,503,041)
Other income (expense):				
Interest expense	(1,370)	(17,795)	(5,703)	(37,478)
Interest and other income, net	383,549	50,469	630,494	82,917
Net earnings (loss)	<u>\$ (5,989,056)</u>	<u>\$ (2,017,971)</u>	<u>\$ 24,052,993</u>	<u>\$ (14,457,602)</u>
Net earnings (loss) per common share:*				
Basic	<u>\$ (0.12)</u>	<u>\$ (0.05)</u>	<u>\$ 0.51</u>	<u>\$ (0.41)</u>
Diluted	<u>\$ (0.12)</u>	<u>\$ (0.05)</u>	<u>\$ 0.48</u>	<u>\$ (0.41)</u>
Weighted average common shares and common equivalent shares per share data:*				
Basic	<u>51,735,089</u>	<u>37,904,573</u>	<u>47,184,096</u>	<u>35,255,486</u>
Diluted	<u>51,735,089</u>	<u>37,904,573</u>	<u>49,804,986</u>	<u>35,255,486</u>

Net earnings (loss) per share and weighted average common shares information reflects the effect of a reverse 1 for 4 stock split made effective April 11, 2006.

Uranium Resources, Inc.
Consolidated Statements of Cash Flows

	Nine Months Ended September 30,	
	2006	2005
Net earnings (loss)	\$24,052,993	\$(14,457,602)
Reconciliation of net earnings (loss) to cash provided by (used in) operations—		
(Gain) loss on derivatives	(34,820,947)	12,094,304
Accretion/amortization of restoration reserve	360,479	268,365
Depreciation and depletion	3,837,424	1,120,255
Decrease in restoration and reclamation accrual	(684,979)	(715,235)
Stock compensation expense	1,228,619	443,960
Impairment of uranium properties	3,260,201	—
Other non-cash items, net	318,342	288,254
Effect of changes in operating working capital items—		
(Increase) decrease in receivables	(577,557)	341,774
(Increase) decrease in inventories	42,999	(255,378)
Increase in prepaid and other current assets	(295,483)	(255,742)
Increase in payables, accrued liabilities and deferred credits	1,427,497	1,154,297
Net cash provided by (used in) operations	(1,850,412)	27,252
Investing activities:		
Increase in certificate of deposit, restricted	(665,966)	(46,746)
Settlement of derivative instrument	(12,000,000)	—
Additions to property, plant and equipment—		
Kingsville Dome	(8,499,106)	(381,113)
Vasquez	(3,078,092)	(2,709,512)
Rosita	(1,047,125)	(24,028)
Rosita South	(83,837)	—
Churchrock	(268,866)	(241,807)
Crownpoint	(66,621)	(342,066)
Other property	(110,386)	(100,168)
Other assets	(220,000)	—
Net cash used in investing activities	(26,039,999)	(3,845,440)
Financing activities:		
Proceeds from (payments on) borrowings	(11,473)	600,000
Issuance of common stock, net	48,515,846	13,088,964
Net cash provided by financing activities	48,504,373	13,688,964
Net increase (decrease) in cash and cash equivalents	20,613,962	9,870,776
Cash and cash equivalents, beginning of period	5,852,716	268,866
Cash and cash equivalents, end of period	<u>\$26,466,678</u>	<u>\$ 10,139,642</u>