

22 January 2009

**Uranium Resources plc (“URA” or “the Company”)
Signs Option Agreement for Rio Tinto to Explore for Coal
on the Company’s Exploration Licence Areas in Southern Tanzania**

Uranium Resources plc, the AIM listed exploration and development company, is pleased to announce that it has entered into an option agreement with Rio Tinto Mining and Exploration Limited (“RTX”), whereby RTX has the right to exclusively explore for coal at, and farm in to, 2,938 km² of the Company’s exploration licence areas in southern Tanzania (“RTX Option Agreement”). The RTX Option Agreement relates to all coal contained within the Mtonya and Ruhuhu farm-in licence areas and is in addition to URA’s current uranium farm-in agreement with Western Metals Ltd (“WMT”) (“Original WMT Agreement”) which continues to progress well. The RTX Option Agreement does not relate to the Bindi, Ruvuma and Ngaka project areas, which URA continues to develop with WMT and its local partners.

Overview

- Signed 12 month option agreement for RTX to explore for coal and elect to enter farm-in agreement
- Farm-in area encompasses 2,938 km² of URA’s exploration licences in Southern Tanzania
- RTX has right to earn 51% interest by sole funding US\$7,000,000 in exploration expenditure within four years of signing farm-in and a further right to earn an additional 29% by completing a pre-feasibility study
- Western Metals continues to develop uranium potential and recent results returned further high grade uranium intercepts

URA’s Managing Director Alex Gostevskikh said, “I believe this agreement with Rio Tinto to explore the coal potential of our licence areas in southern Tanzania further underpins the value of our exploration assets. By signing the agreement, we not only establish a relationship with a major but also have exposure to the upside potential of any economic coal deposits discovered in this highly prospective region, while not committing to the associated high levels of capital expenditure. Importantly, the deal complements the uranium exploration being conducted by Western Metals which continues to yield high grade uranium intercepts and consolidates our commitment to the energy resource sector, which we believe still maintains strong fundamentals for the future.”

Terms of the Agreement

The agreement provides RTX with the sole right to explore the Company’s licences for coal for a 12 month period from the date on which the agreement becomes unconditional. During this period RTX may elect to farm in, which would permit RTX to earn a 51% interest in the coal discovered within the licence areas, and the relevant exploration data by sole funding

US\$7,000,000 in exploration expenditure within four years of electing to farm in. In addition, RTX may earn a further 29% interest by sole funding and completing a pre-feasibility study.

RTX may withdraw from the agreement at any time within the twelve-month timeframe after spending US\$200,000. If, having earned its initial 51% interest, RTX withdraws prior to earning the additional 29% interest, it must sell its 51% interest.

The agreement is conditional on:

- 1) URA obtaining all relevant consents under the laws of the United Republic of Tanzania that are required for the Parties to enter into the agreement;
- 2) RTX and URA obtaining surface rights from third parties which control these, to allow the right to access an acceptable portion of the Project Area to undertake a geological mapping, reconnaissance drilling and sampling programme within the licences for coal;
- 3) execution and registration of the agreement against the licences; and
- 4) all necessary consents and approvals (if any) under the Mining Act.

The agreement sets out a regime whereby the uranium exploration and production programme with WMT is afforded protection against any adverse affects from the coal exploration and production programme.

Minerals and licences the subject of the agreement

The Original WMT Agreement relates only to uranium, thorium, vanadium, molybdenum, and strontium. URA reserved a 100% interest in all other minerals contained within those licences including coal. Accordingly, WMT does not participate in the new option and farm-in agreement which URA has signed with RTX.

The agreement with RTX relates only to the licences that were the subject of the Original WMT Agreement together with all successive renewals and substitute licences. The agreement with RTX does not apply to the Ruvuma, Bindi and Ngaka JV Areas which URA continues to develop in accordance with its arrangements with WMT.

The position is summarised in the tables below:

JV Partners & Ownership Uranium & Related Minerals					
JV Description	WMT	URA	Local Partner	Rio Tinto	Land Area (sqkm)
Farm-in Areas (subject of WMT JV agreement and RTX agreement)	60%	40%	-	-	2,938

42.5% JV Areas (Ruvuma and Bindi)	42.5%	42.5%	15%	-	9,589
45% JV Areas (Ngaka)	45%	45%	10%	-	211
					12,738
Rest of Tanzania	URA and WMT consider Tanzania to be an area of mutual interest so each of URA & WMT will offer the other an equal share in any future uranium opportunity in Tanzania.				Country wide

JV Partners & Ownership Coal Rights					
JV Description	WMT	URA	Local Partner	Rio Tinto	Land Area (sqkm)
Farm-in Areas (subject of WMT JV agreement and RTX agreement)	-	100%	-	Earning initial 51%	2,938
42.5% JV Areas (Ruvuma and Bindi)	42.5%	42.5%	15%	-	9,589
45% JV Areas (Ngaka)	45%	45%	10%	-	211
					12,738

****ENDS****

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Notes to editors

Uranium Resources plc is an AIM listed uranium exploration and development company. It is the Company's strategy to advance its existing assets and strengthen its portfolio via opportunist

acquisition. Uranium Resources has uranium licences in the highly prospective Karoo Basin in Southern Tanzania where it currently has a land package in excess of 12,500 sq km.