

News Release

December 15, 2009

Uranium One Acquires 50% of Karatau Uranium Mine

Vancouver, British Columbia and Johannesburg, South Africa – Uranium One Inc. today announced that, following receipt of all required governmental and regulatory approvals, the Company has closed in escrow the acquisition of a 50% interest in the Karatau Uranium Mine in Kazakhstan from JSC Atomredmetzoloto (“ARMZ”), the Russian state-owned uranium mining company. In accordance with the June 14, 2009 purchase agreement between the Company and ARMZ, escrow will be lifted upon registration of the transfer of the Karatau interest with the South Kazakhstan Region Department of Justice, which is expected to be completed later this month.

In connection with today’s closing, Uranium One has issued 117 million common shares to ARMZ, representing a 19.9% ownership interest in the common shares of the Company, as well as a US\$ 90 million promissory note due not later than 12 months from closing. The purchase agreement also provides for a contingent payment to ARMZ of up to US\$ 60 million, payable in three equal tranches over the period 2010 to 2012 subject to certain post-closing tax-related adjustments.

Uranium One’s 50% share of production from Karatau in 2010 is expected to be 2.3 million pounds of U₃O₈ at an average cash cost of approximately US\$14 per pound sold. At full production levels, Uranium One’s share of production from Karatau is expected to be 2.6 million pounds per year. It is expected that the annualized rate of production from Karatau will reach this level during 2010.

Concurrently with the execution of the Karatau purchase agreement, Uranium One also entered into a long-term offtake agreement and a framework agreement with ARMZ. Both of these agreements have now become effective.

Under the offtake agreement, so long as the framework agreement remains in effect, ARMZ has an option to purchase on an annual basis, on industry-standard terms, the greater of 50% of Karatau’s annual production and 20% of Uranium One’s available attributable production from assets in respect of which it has the marketing rights.

Under the terms of the framework agreement, Uranium One has been granted a right of first offer on ARMZ’s assets outside the Russian Federation, in the event that ARMZ determines to offer any of these for sale in the future.

ARMZ has also agreed to assist Uranium One in the opening of accounts with Russian uranium converters and to use Russian uranium conversion and enrichment facilities for the benefit of

Uranium One's customers. Since Uranium One currently receives payment for its production from customers at conversion facilities located in North America and Europe, access to Russian facilities will potentially significantly shorten the time period required for the Company to turn production into sale proceeds, and assist utility customers with access to enrichment services, particularly those customers located in Europe and Asia.

As previously announced, in accordance with the purchase agreement, Uranium One has appointed Vadim Zhivov, Director General of ARMZ, to its board of directors. The Company has also agreed to appoint a second representative of ARMZ to its board in May 2010, subject to receipt of shareholder approval to increase the size of its board by one additional director.

About ARMZ

ARMZ is the world's fifth largest uranium producer with operating mines in Russia and Kazakhstan. During 2008, operations in which ARMZ is involved produced 9.6 million pounds of U₃O₈. ARMZ is part of Rosatom – the Russian State Corporation controlling the Russian Federation's nuclear activities. Together with its affiliates and subsidiaries, the company employs over 14,000 people.

About Uranium One

Uranium One is one of the world's largest publicly traded uranium producers, with a globally diversified portfolio of assets located in Kazakhstan, the United States, South Africa and Australia.

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Cautionary Statement

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

Forward-looking statements: This press release contains certain forward-looking statements. Forward-looking statements include but are not limited to those with respect to the price of uranium, the estimation of mineral resources and reserves, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Uranium One to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, changes in market conditions, the actual results of current exploration activities, conclusions of economic evaluations, changes in project

parameters as plans continue to be refined, project cost overruns or unanticipated costs or expenses, possible variations in grade and ore densities or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes or other risks of the mining industry, exchange rate and uranium price fluctuations, delays in obtaining government approvals or financing or in completion of development or construction activities, changes in, and the effect of government policy, risks relating to the timing and completion of the transactions described in this press release, the potential benefits thereof, risks relating to the benefits derived by the Corporation from the strategic relationship described in this press release, risks relating to the integration of acquisitions, to international operations, to the price of uranium as well as those factors referred to in the section entitled "Risk Factors" in Uranium One's Annual Information Form for the year ended December 31, 2008, which is available on SEDAR at www.sedar.com, and which should be reviewed in conjunction with this document. Although Uranium One has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Uranium One expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

For further information about Uranium One, please visit www.uranium1.com.