

News Release

May 7, 2012

Uranium One Announces 18% Increase in Q1 2012 Production to 2.8 Million Pounds; Average Total Cash Costs of \$14 per Pound

Toronto, Ontario – Uranium One Inc. (“Uranium One”) today reported quarterly revenue of \$95.9 million for Q1 2012 based on sales of 1.8 million pounds at an average realized sales price of \$53 per pound at an average total cash cost per pound sold of \$14.

Q1 2012 Highlights

Operational

- Total attributable production during Q1 2012 was 2.8 million pounds, 18% higher than total attributable production of 2.4 million pounds during Q1 2011.
- The average total cash cost per pound sold was \$14 per pound for both Q1 2012 and Q1 2011.

Financial

- Attributable sales volumes for Q1 2012 were 1.8 million pounds, an increase of 8% compared to 1.7 million pounds sold during Q1 2011.
- Revenue was \$95.9 million in Q1 2012, compared to \$101.9 million in Q1 2011. The average realized sales price during Q1 2012 was \$53 per pound compared to \$61 per pound in Q1 2011. The average spot price in Q1 2012 was \$52 per pound.
- Earnings from mine operations were \$49.3 million during Q1 2012, a 4% decrease compared to earnings from mine operations of \$51.2 million in Q1 2011 primarily due to a decrease in the realized uranium sales price.
- Net earnings for Q1 2012 were \$4.5 million or \$0.00 per share, compared to net earnings of \$14.0 million or \$0.01 per share for Q1 2011.
- Adjusted net earnings for Q1 2012 were \$15.1 million or \$0.02 per share, compared to adjusted net earnings of \$15.0 million or \$0.02 per share for Q1 2011.

Corporate

- On March 15, 2012, the Corporation paid \$150 million to acquire 13.9% of Mantra Resources and to extend its option to acquire the remaining interest in Mantra until June 7, 2013.
- Mitsui Corporation has notified the Corporation of its decision to withdraw from the Honeymoon Uranium Project. The parties are currently negotiating the terms of Mitsui's withdrawal. The Corporation intends to continue with the Project.

Chris Sattler, Chief Executive Officer of Uranium One, commented:

“I am pleased to see the Uranium One team continue to execute and achieve our operational and financial objectives. The nuclear industry needs to have new mines come into production to meet the growing long-term demand for uranium and to offset the declining sources of current supply. We believe that higher uranium prices are required to achieve this and that our strategy of providing maximum leverage to the market price for uranium will benefit our shareholders.”

Outlook

The supply and demand consequences of the March 2011 earthquake and tsunami at the Fukushima nuclear power plant in Japan have now substantially been factored into the uranium market. Global demand for uranium continues to grow as a result of the increasing reliance on nuclear power in emerging markets including those of China, India, Russia, South Korea and the Middle East.

The Corporation's total attributable production guidance for 2012 and 2013 remains at 11.6 million and 12.5 million pounds respectively.

During 2012, the Corporation's guidance for the average total cash cost per pound sold remains \$19 per pound.

The Corporation expects attributable sales to be approximately 11.0 million and 12.5 million pounds in 2012 and 2013 respectively.

The Corporation expects to incur attributable capital expenditures in 2012 of \$114 million for wellfield development and \$115 million for plant and equipment, totalling \$229 million for its assets in Kazakhstan, the United States and Australia.

In 2012, general and administrative expenses, excluding non-cash items, are expected to be approximately \$39 million and exploration expenses are expected to be \$11 million.

Q1 2012 Operations and Projects

During Q1 2012, Uranium One achieved attributable production of 2.8 million pounds, an increase of 18% over attributable production of 2.4 million pounds for the comparable period in 2011.

Operational results for Uranium One's assets during Q1 2012 were:

Asset	Q1 Attributable Production (lbs U ₃ O ₈)	Q1 Total Cash Costs (per lb sold U ₃ O ₈)
Akdala	437,000	\$13
South Inkai	779,000	\$19
Karatau	650,000	\$10
Akbastau	435,300	\$10
Zarechnoye	271,200	\$24
Kharasan	95,800	N/A
Willow Creek	102,300	N/A
Honeymoon	48,500	N/A

Q1 2012 Financial Review

Revenue was \$95.9 million in Q1 2012, compared to \$101.9 million in Q1 2011. The average realized sales price during Q1 2012 was \$53 per pound. The average spot price in Q1 2012 was \$52 per pound.

Operating expenses per pound sold were \$14 for both Q1 2012 and Q1 2011.

Earnings from mine operations were \$49.3 million during Q1 2012, a 4% decrease compared to earnings from mine operations of \$51.2 million in Q1 2011.

Attributable inventory as at March 31, 2012 was 3.9 million pounds, which includes work in progress as well as finished product ready to be shipped or in transit.

Net earnings for Q1 2012 were \$4.5 million or \$0.00 per share, compared to net earnings of \$14.0 million or \$0.01 per share for Q1 2011.

Adjusted net earnings for Q1 2012 were \$15.1 million or \$0.02 per share, compared to adjusted net earnings of \$15.0 million or \$0.02 per share for Q1 2011.

Consolidated cash and cash equivalents were \$512.2 million as at March 31, 2012 compared to \$619.0 million at December 31, 2011. Working capital was \$619.8 million at March 31, 2012.

The following table provides a summary of key financial results:

FINANCIAL	Q1 2012	Q1 2011
Attributable production (lbs) ⁽¹⁾	2,572,500	2,308,200
Attributable sales (lbs) ⁽¹⁾	1,809,400	1,681,700
Average realized sales price (\$ per lb) ⁽²⁾	53	61
Average cash cost of production sold (\$ per lb) ⁽²⁾	14	14
Revenues (\$'millions)	95.9	101.9
Earnings from mine operations (\$'millions)	49.3	51.2
Net earnings (\$'millions)	4.5	14.0
Net earnings per share – basic and diluted (\$ per share)	0.00	0.01
Adjusted net earnings (\$'millions) ⁽²⁾	15.1	15.0
Adjusted net earnings per share – basic (\$ per share) ⁽²⁾	0.02	0.02

Notes:

⁽¹⁾ Attributable production and sales are from assets owned and in commercial production during the period.

⁽²⁾ The Corporation has included non-GAAP performance measures: average realized sales price per pound, cash cost per pound sold, adjusted net earnings and adjusted net earnings per share. In the uranium mining industry, these are common performance measures but do not have any standardized meaning, and are non-GAAP measures. The Corporation believes that, in addition to conventional measures prepared in accordance with GAAP, the Corporation and certain investors use this information to evaluate the Corporation's performance and ability to generate cash flow. The additional information provided herein should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

The following table provides a reconciliation of adjusted net earnings to the consolidated financial statements:

US dollars in millions except per share and per lb amounts	3 months ended	
	March 31, 2012 \$'millions	March 31, 2011 \$'millions
Net earnings	4.5	14.0
Care and maintenance costs	0.5	0.3
Corporate development expenditure	1.9	0.7
Ruble bond hedge accounting adjustments	8.2	-
Adjusted net earnings	15.1	15.0
Adjusted net earnings per share – basic (\$)	0.02	0.02
Adjusted net earnings per share – diluted (\$)	0.02	0.02
Weighted average number of shares (millions) – basic	957.2	957.2
Weighted average number of shares (millions) – diluted ⁽¹⁾	1,039.7	1,049.7

Notes:

⁽¹⁾ The diluted earnings per share includes an adjustment increasing earnings and the weighted average number of shares.

The financial statements, as well as the accompanying management's discussion and analysis, are available for review at www.uranium1.com and should be read in

conjunction with this news release. All figures are in U.S. dollars unless otherwise indicated. All references to pounds sold or pounds produced are to pounds of U₃O₈.

Conference Call Details

Uranium One will be hosting a conference call and webcast to discuss the first quarter 2012 results on Tuesday, May 8, 2012 starting at 8:30 a.m. (Eastern Time). Participants may join the call by dialing toll free 1-888-231-8191 or 1-647-427-7450 for local calls or calls from outside Canada and the United States. A live webcast of the call will be available through CNW Group's website at: www.newswire.ca or through Uranium One's website at: www.uranium1.com.

A recording of the conference call will be available for replay for a two week period beginning at approximately 11:30 p.m. (Eastern Time) on May 18, 2012 by dialing toll free 1-855-859-2056 or 1-416-849-0833 for local calls or calls from outside Canada and the United States. The pass code for the replay is 68603992. A replay of the webcast will be available through a link on our website at www.uranium1.com

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, Australia and Tanzania.

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Cautionary Statement

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

Investors are advised to refer to independent technical reports containing detailed information with respect to the material properties of Uranium One. These technical reports are available under the profiles of Uranium One Inc. at www.sedar.com. Those technical reports provide the date of each resource or reserve estimate, details of the key assumptions, methods and parameters used in the estimates, details of quality and grade or quality of each resource or reserve and a general discussion of the extent to which the estimate may be materially affected by any known environmental, permitting, legal, taxation, socio-political, marketing, or other relevant issues. The technical reports also provide information with respect to data verification in the estimation.

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, the completion of the transactions described in this press release, the future steady state production and cash costs of Uranium One, the actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, 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, delays in obtaining government approvals or financing or in completion of development or construction activities, risks relating to the integration of acquisitions and the realization of synergies relating thereto, to international operations, to prices 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, 2011, 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.