Uranium Resources plc

("Uranium Resources" or the "Company")

Final Results

The Company is pleased to announce its audited final results for the year ended 30 June 2017.

MANAGING DIRECTOR'S STATEMENT

On 4 December 2017, the Company announced that it had agreed conditionally to dispose of the Mtonya Project ("Mtonya") to its majority shareholder Estes Limited (the "Disposal") and to the subsequent reorganisation and recapitalisation of the Company which will become an AIM Rule 15 cash shell. As part of the Proposals, the Company is raising £900,000 in new equity (the "Placing") and a number of key board changes are taking place.

The Disposal and the Placing are included in a set of proposals (the "Proposals") that are set out in a circular ("Circular") which has been sent to shareholders. The Circular also sets out why the Existing Directors recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting which is to be held at the offices of Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London EC3V OHR, at 12.00 p.m. on 20 December 2017.

Disposal

Subject to shareholder approval, the Company will dispose of Mtonya to Estes Limited ("Estes"), in partial settlement of the outstanding loans from Estes to the Company (approximately $2.07 million as at the date of signing these financial statements). The partial settlement is in the amount of US$1.2 million, a valuation which is 25 per cent higher than the top of the fair market range provided by independent consultants for Mtonya. In addition, it is proposed that Estes will capitalise the remaining debt owed to it by the Company of US$870,000 at a price of 0.5p per share.

The Disposal constitutes a fundamental change of business in accordance with the AIM Rules and is therefore subject to shareholder approval. Alex Gostevskikh, Andrew Lewis and James Pratt (the "Independent Directors") are supportive of the Disposal on the basis that Estes has informed the Company that it is no longer willing to provide financial support to it and the Disposal provides a return to the Company significantly higher than the third party valuation of the Mtonya Project. The Independent Directors also believe that significant funds would be required to undertake a meaningful drilling programme at Mtonya and that such early stage exploration projects are difficult to fund, especially as the market for uranium remains depressed. The Independent Directors intend to vote in favour of the resolutions as a whole.

Share Capital Reorganisation and Placing

The Company is proposing to undertake a Share Capital Reorganisation which will result in 59,788,833 New Ordinary Shares being in issue following the Disposal and capitalisation of the Estes loan balance. Following the Share Capital Reorganisation 7,777,778 New Ordinary will be issued to pursuant to the Director Capitalisations resulting in 67,566 611 New Ordinary Shares being in issue immediately prior to the Placing.

Within the proposal, pending shareholder approval, the Company has conditionally raised £900,000 at

0.45p, via the placing of 200,000,000 New Ordinary Shares through Peterhouse Corporate Finance Limited, together with a 1 for 2 attaching warrant (the "Placing Warrants"). The Placing Warrants are exercisable at 0.9p per New Ordinary Share, three months from the date of grant and for a period of 12 months from the date of grant or until the Company completes a transaction which constitutes a reverse takeover in accordance with AIM Rule 14 (the "Final Exercise Date") whichever is earlier.

Subject to Shareholder approval, admission of the New Ordinary Shares to trading on AIM is expected on or around 21 December 2017 and the Company's name will change to URA Holdings plc (the TIDM will remain URA). Under the Proposals the Enlarged Share Capital will comprise 267,566,611 New Ordinary Shares of 0.15p each.

In order to provide existing shareholders with some ability to subscribe should they so choose on the same terms as the Placing Warrants, the Board proposes, subject to regulatory prohibitions relating to marketing securities in certain jurisdictions, to issue new warrants to existing shareholders on the record date on a pro rata basis of one Bonus Warrant for every two New Ordinary Shares held (the "Bonus Warrant Issue") at an exercise price of 0.9p per share.

Board Changes

Conditional on the passing of the Resolutions, it is proposed that the Existing Directors, with the exception of Alex Gostevskikh, step down from the Board and that Peter Redmond and Melissa Sturgess are appointed directors (the "Proposed Directors"). Peter and Melissa have many years of experience as directors of AIM companies and intend that the new strategy of the Company will be to acquire a substantial business that is seeking an AIM quoted platform. Peter has been involved in the restructuring of a number of AIM quoted companies and Melissa most recently spearheaded the recapitalisation of Messaging International plc and subsequent creation of SigmaRoc plc.

Background to the Proposals

The Company was incorporated on 11 January 2005 and its shares were admitted to trading on AIM on 18 February 2005. The Company's strategy was to make investments in the mining and minerals sectors and specifically in the uranium sector.

On 3 April 2012, Uranium Resources announced it had raised £3.93 million (gross) through a Placing of 163,750,000 new ordinary shares of 0.1 pence each in the Company at a price of 2.4 pence per ordinary share. The funds raised were used to support the development of the Mtonya Project located 100 kilometres east of Songea in southern Tanzania. As a consequence of the placing, the Company's major shareholder, Estes, increased its holding in the Company to 56 per cent of the issued share capital. At this time the Company was not subject to the UK Takeover Code.

On 26 March 2013 the Company entered into a US$1 million loan agreement with Estes to fund working capital requirements pending the publication of its maiden mineral resource estimate at Mtonya.

On 3 May 2013 the Company announced that it had completed a maiden CIM-compliant Mineral Resource estimate for Mtonya. The Mineral Resource Estimate was prepared by Roscoe Postle Associates Inc. of Toronto, Ontario. The CIM Inferred Resource estimate was 3.6 million tonnes at 255 ppm U3O8 containing 2.0 Mlb U3O8. The resource estimate was based on 159 diamond drillholes (38,591m) completed by the Company in 2010 to 2012. Only assays of drill core samples were used in the resource estimate. The Directors expect that the resource will be amenable ISR, the most-cost effective and environmentally-acceptable method of uranium extraction.

The market for uranium has been depressed since the Fukushima disaster in Japan in 2011 following which many countries reassessed or cancelled their nuclear power programmes. The market has remained subdued and the Directors do not believe the price of uranium will return to higher levels in the near term.

Notwithstanding this, the Directors believed the potential low-cost extraction of uranium at Mtonya via ISR would mean that the project could be developed economically should the market for U3O8 improve. However, given the state of the uranium market, no further drilling activity was undertaken at Mtonya and the Company focused on evaluating the existing exploration work and also began discussions with a potential strategic partner with a uranium exploration project in Tanzania. In order to fund the Company's ongoing working capital requirements, and avoid dilution for Shareholders, the Company entered into a series of loans with Estes which continued to support the Company financially.

On 5 July 2017, the Company announced that Estes, which currently holds 55.1 per cent of the issued share capital, remained supportive of the Company and would fund ongoing working capital requirements while the Company reviewed alternative financial arrangements.

The Directors believe that the Mtonya licence requires significant additional funds to undertake further exploration drilling to increase the size of the resource and consider that such a drilling programme cannot be justified given the current depressed uranium market. In addition, the Directors do not believe that such a significant equity fundraise would be achievable without offering a large discount to the current share price. Estes has also informed the Board that it is unwilling to continue lending the Company funds for working capital purposes. However it has indicated that it would be willing to acquire Mtonya in partial settlement of the debt owed to Estes by the Company. The partial settlement will be in the amount of US$1.2 million. In addition, Estes is also willing to capitalise the remaining debt owed to it by the Company of US$870,000 at a price of 0.5p per Share.

The Board is therefore faced with a situation where it could propose to seek cancellation of the Company's admission to AIM, but then there would effectively be no market in the Existing Ordinary Shares, and without financial support from Estes, the Directors would have to consider placing the Company into administration or, and as proposed in this Circular, the Board could dispose of Mtonya, introduce new funds, appoint new directors, and look to adopt a new strategy.

Having considered these alternatives at length with a number of its advisers, the Board has concluded that the best available option is to dispose of Mtonya to Estes, recapitalise the Company and introduce new directors.

Financial Results

Uranium Resources is not producing revenue and as such the Company is reporting a loss of US$1,598,000 for the year ended 30 June 2017 mainly due to the impairment of the Exploration and evaluation assets (2016: loss US$15,447,000).

Funding and going concern

In March 2013, March 2014, February 2015 (with Supplementary agreement dated April 19, 2016), January 2017 (with Supplementary agreements dated July 7, 2017, November 1, 2017) the Company entered into a US$1million, US$300,000, US$500,000 and US$210,000 loan facility agreements ('the Loans') respectively with its major shareholder and strategic investor Estes Limited ('Estes'). The Loans are unsecured and bear interest at LIBOR.

At 30 June 2017, the Company had drawn down US$1,872,212 (excluding interest) against these facilities.

Estes has informed the Board that it is unwilling to continue lending the Company funds for working capital purposes. However it has indicated that it would be willing to acquire Mtonya in partial settlement of the debt owed to Estes by the Company. The partial settlement will be the amount of US$1,200,000.

In June 2017, the Company commissioned a report from Micon to estimate the current fair-market value of the Mtonya Project. The independent appraiser determined the value of uranium resources within the range US$240,000 to US$960,000.

Considering the depressed uranium market, no further drilling activity has been undertaken in Mtonya since 2013, given the uncertainty in actual uranium mineral resources being held in Mtonya, the Board decided to impair the exploration and evaluations assets to the highest of the fair value and value in use, which is US$1,200,000.

As a result the impairment was recognised as of 30 June 2017 at the total amount of US$1,584,000. In addition, Estes is also willing to capitalise the remaining debt owed to it by the Company at a price of 0.5p per Share.

Directors of the Company have agreed to write off a large proportion of the fees owed to them such that the Company will owe them GBP 35,000.

Outlook

Following completion of the disposal of Mtonya to Estes, the Company will be regarded as an AIM Rule 15 cash shell. New investors are going to invest GBP 900,000 (gross) in the Company and the new directors will pursue a strategy focusing on an acquisition that can create significant value for shareholders in the form of capital growth and/or dividends.

Alex Gostevskikh

Managing Director

19 December 2017

For further information please visit www.uraniumresources.co.uk or contact:

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URANIUM RESOURCES PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 US$'000	2016 US$'000
Administrative expenses		45	(218)
Impairment of exploration assets	9	(1,584)	(14,901)
Group operating loss	3	(1,539)	(15,119)
Interest payable	4	(14)	(11)
Foreign exchange (losses)/gains	4	(45)	(317)
Loss before taxation		(1,598)	(15,447)
Taxation	5	-	-
Loss for the year		(1,598)	(15,447)
Other comprehensive income			
Exchange differences on translating foreign operations		41	220
Total comprehensive loss attributable to the equity holders of the parent		(1,557)	(15,227)
Loss per share (cents)			
Basic and Diluted	6	(0.21)	(203.89)

The results shown above related entirely to continuing operations and are attributable to equity shareholders of the Company.

URANIUM RESOURCES PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Notes	2017 US$'000	2016 US$'000
ASSETS			
Non-current assets			
Exploration and evaluation assets	9	1,200	2,800
Current assets			
Receivables	11	8	-
Cash and cash equivalents		6	22
		14	22
Total Assets		1,214	2,822
LIABILITIES			
Current liabilities			
Borrowings	13	(1,912)	(1,715)
Trade and other payables	12	(100)	(348)
		(2,012)	(2,063)
Total Liabilities		(2,012)	(2,063)
Net Assets		(798)	759
EQUITY			
Capital and reserves attributable to equity holders			
Share capital	14	1,225	1,225
Share premium		21,776	21,776
Foreign exchange reserve		(65)	(106)
Retained losses		(23,734)	(22,136)
Total Equity		(798)	759

The financial statements were approved and authorised for issue by the Board of Directors on 19 December 2017 and signed on its behalf by:

Alex Gostevskikh

Managing Director

Company Registration Number: 05329401

URANIUM RESOURCES PLC

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Notes	2017 US$'000	2016 US$'000
ASSETS			
Non-current assets			
Investments in subsidiaries	10	1,200	2,621
Current assets			
Receivables	11	-	-
Cash and cash equivalents		4	14
		4	14
Total Assets		1,204	2,635
LIABILITIES			
Current liabilities			
Borrowings	13	(1,912)	(1,715)
Trade and other payables	12	(62)	(305)
		(1,974)	(2,020)
Total Liabilities		(1,974)	(2,020)
Net Assets		(770)	615
EQUITY			
Capital and reserves attributable to equity holders			
Share capital	14	1,225	1,225
Share premium		21,776	21,776
Foreign exchange reserve		(3,328)	(2,934)
Retained losses		(20,443)	(19,452)
Total Equity		(770)	615

The financial statements were approved and authorised for issue by the Board of Directors on 19 December 2017 and signed on its behalf by:

Alex Gostevskikh

Managing Director

Company Registration Number: 05329401

URANIUM RESOURCES PLC

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

Consolidated statement of changes in equity

	Share capital US$'000	Share premium US$'000	Foreign currency translation reserve US$'000	Retained losses US$'000	Total equity US$'000
At 1 July 2015	1,225	21,776	(326)	(6,689)	15,986
Total comprehensive income/(loss)	-	-	220	(15,447)	(15,227)
At 30 June 2016	1,225	21,776	(106)	(22,136)	759
Total comprehensive income/(loss)	-	-	41	(1,598)	(1,557)
At 30 June 2017	1,225	21,776	(65)	(23,734)	(798)

Company statement of changes in equity

	Share capital US$'000	Share premium US$'000	Foreign currency translation reserve US$'000	Retained losses US$'000	Total equity US$'000
At 1 July 2015	1,225	21,776	(334)	(6,136)	16,531
Total comprehensive income/(loss)	-	-	(2,600)	(13,316)	(15,916)
At 30 June 2016	1,225	21,776	(2,934)	(19,452)	615
Total comprehensive income/(loss)	-	-	(394)	(991)	(1,385)
At 30 June 2017	1,225	21,776	(3,328)	(20,443)	(770)

URANIUM RESOURCES PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 US$'000	2016 US$'000
Cash flows from operating activities		
Loss for the year	(1,598)	(15,447)
Impairment of exploration and evaluation assets	1,584	14,901
Salary payable write-off	(326)	-
Interest expense	14	11
Foreign exchange loss	45	319
(Increase) / Decrease in receivables	(8)	10
Increase in payables	89	5
Net cash used in operating activities	(200)	(201)
Investing activities		
Funds used for exploration and evaluation	-	(150)
Net cash used in investing activities	-	(87)
Financing activities		
Borrowings	183	288
Net cash inflow from financing	183	288
Decrease in cash and cash equivalents	(17)	(13)
Foreign exchange movements on cash	1	1
Cash and cash equivalents at beginning of the year	22	21
Cash and cash equivalents at the end of the year	6	22

URANIUM RESOURCES PLC

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 US$'000	2016 US$'000
Cash flows from operating activities		
(Loss) for the year	(991)	(13,316)
Impairment loss	1,443	14,901
Salary payable write-off	(326)	-
Interest expense	14	11
Foreign exchange (gain)	(329)	(1,787)
Decrease in receivables	-	10
Increase in payables	97	20
Net cash used in operating activities	(92)	(161)
Investing activities		
Investments and loans granted to subsidiaries	(100)	(118)
Net cash used in investing activities	(100)	(118)
Financing activities		
Borrowings	183	288
Net cash inflow from financing	183	288
Decrease in cash and cash equivalents	(9)	9
Foreign exchange retranslation	(1)	1
Cash and cash equivalents at beginning of the year	14	4
Cash and cash equivalents at the end of the year	4	14

1. Background and accounting policies

The Company is registered in England and Wales, having been incorporated on 11 January 2005 under the Companies Act with registered number 05329401 as a public company limited by shares. The Company's shares are traded on the AIM Market ("AIM") of The London Stock Exchange plc.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied to all years presented, unless otherwise stated below.

The Company's and Group's financial statements for the year ended 30 June 2017 and for the comparative year ended 30 June 2016 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and IFRIC (International Financial Reporting Interpretations Committee) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

1.1 Basis of preparation

The Group financial statements are prepared on the going concern basis, under the historical cost convention as modified for fair value accounting, if applicable, and in accordance with IFRS, including IFRS 6 'Exploration for and Evaluation of Mineral Resources'. The Parent Company's financial statements have also been prepared in accordance with IFRS and the Companies Act 2006.

The Group and Parent Company financial statements are presented in US$ and have been rounded to the nearest US$'000.

The consolidated financial statements incorporate the accounts of the Company and its subsidiaries and have been prepared by using the principles of acquisition accounting ("the purchase method"), which includes the results of the subsidiaries from their dates of acquisition. Intra-group sales, profits and balances are eliminated fully on consolidation.

1.2 Going concern

In March 2013, March 2014, February 2015 (with Supplementary agreement dated April 19, 2016), January 2017 (with Supplementary agreements dated July 7, 2017, November 1, 2017) the Company entered into a US$1million, US$300,000, US$500,000 and US$ 210,000 loan facility agreements ('the Loans') respectively with its major shareholder and strategic investor Estes Limited ('Estes'). The Loans are unsecured and bear interest at LIBOR. At 30 June 2017, the Company had drawn down US$1,872,212 (excluding interest) against these facilities. Interest accrued as of the reporting date is US$ 39,425.

Estes has informed the Board that it is unwilling to continue lending the Company funds for working capital purposes. However it has indicated that it would be willing to acquire Mtonya in partial settlement of the debt owed to Estes by the Company. The partial settlement will be the amount of US$1,200,000.

In June 2017, the Company commissioned a report from Micon to estimate the current fair-market value of the Mtonya Project. The independent appraiser determined the value of uranium resources within the range US$240,000 to US$960,000.

The Board considered the depressed Uranium market, no further drilling activity has been undertaken in Mtonya since 2013 and uncertainty in the actual uranium mineral resources being held in Mtonya decided to accept this proposal as it is 25 per cent higher than the top of the fair market range provided in the report by an independent appraiser in June 2017.

In addition, Estes is also willing to capitalise the remaining debt owed to it by the Company at a price of 0.5p per Share. Directors of the Company have agreed to write off the fees owed to them such that the Company will owe them GBP 35,000.

All these transactions will be approved at the General Meeting to be held on 20 December 2017 as the Company has received an irrevocable undertaking from Estes in favour of the Resolutions in respect of its shareholding of 417,354,167 Existing Ordinary Shares representing 55.1 per cent of the existing ordinary share capital of the Company. Following completion of the disposal of Mtonya to Estes, the Company will be regarded as an AIM Rule 15 cash shell.

New investors are going to invest GBP 900,000 (gross) in the Company and the new directors will pursue a strategy focusing on an acquisition that can create significant value for shareholders in the form of capital growth and/or dividends.

Therefore the directors have continued to adopt the going concern basis.

The financial statements do not include the adjustments that would result if the Group was unable to continue in operation.

1.3 New IFRS standards and interpretations

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the prior year's financial statements except for the adoption of new standards and interpretations effective as of 1 July 2016. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New and amended standards and interpretations

There were a number of new standards and interpretations, effective from 1 July 2016 that the Company applied for the first time in the current year.

The nature and the impact of each new standard and amendment that may have an impact on the Company now or in the future, is described below. A few other amendments apply for the first time in 2016; however, they do not impact the annual financial statements of the Company.

Other than the changes described below, the accounting policies adopted are consistent with those of the previous financial year.

Following relevant revisions and amendments to existing standards were issued by the IASB, which are effective for the accounting period beginning on or after January 1, 2017 and have been adopted by the Company:

Standard number	Title	Effective date
IFRS 12	Annual improvements to IFRS: the 2014-2016 cycle – Amendments	January 1, 2017
IFRS 12	Recognition of deferred tax assets for unrealized losses – Amendments	January 1, 2017

The revisions and amendments have been applied in accordance with the transitional provisions and do not have a material impact on the Company's individual financial statements.

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are described below. This description is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The Company expects that adoption of these standards, amendments and interpretations in most cases not to have any significant impact on the Company's financial position or performance in the period of initial application. In cases where it will have an impact, the Company is still assessing the possible impact.

IFRS 9 "Financial Instruments" (2014)
The IASB released IFRS 9 "Financial Instruments" (2014), representing the completion of its project to replace IAS 39 "Financial Instruments: Recognition and Measurement". The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new "expected credit loss" model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting.

The new standard is required to be applied for annual reporting periods beginning on or after 1 January 2018.

IFRS 15 "Revenue from Contracts with Customers"
IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 "Revenue", IAS 11 "Construction contracts", and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

IFRS 15 is effective for reporting periods beginning on or after 1 January 2018.

IFRS 16 "Leases"
IFRS 16 "Leases" brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 "Leases" and related interpretations and is effective for periods beginning on or after 1 January 2019, with earlier adoption permitted if IFRS 15 "Revenue from Contracts with Customers" has also been applied.

1.4 Exploration and evaluation expenditure

Once a licence has been obtained, all costs associated with exploration and evaluation are capitalised on a project-by-project basis, where a project may be a collection of geographically and geologically similar licences. The costs are carried forward on a project-by-project basis until it has been established that commercial reserves do not exist or are insufficiently supported by the potential carrying value of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads.

Where possible, general Tanzanian costs attributable to projects are allocated to each project. However, where this is impractical, these general costs are held in a separate cost pool and are carried forward in one general pool of assets until it has been established that commercial reserves do not exist or are insufficiently supported by the potential carrying value of all Tanzanian projects.

When production commences, the accumulated costs for the relevant area of interest are transferred from intangible assets to tangible assets as "Developed Uranium Assets" and amortised over the estimated life of the commercial reserves on a unit of production basis, as discussed in note 1.7 below.

1.5 Impairment of exploration and evaluation expenditure

The carrying value of unevaluated areas is assessed on at least an annual basis or when there has been an indication that impairment in value may have occurred. The impairment of unevaluated prospects is assessed as based on the Directors' intention with regard to future exploration and development of individual significant areas and the ability to obtain funds to finance such exploration and development.

An impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. A reversal of an impairment loss for an assets is recognized in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as revaluation reserve. However, to the extent that an impairment loss on the same revalued asset was previously recognized in profit or loss, a reversal of impairment is also recognized in profit or loss.

1.6 Impairment of developed uranium assets

When events or changes in circumstances indicate that the carrying amount of developed uranium assets included within tangible assets may not be recoverable from future net revenues from uranium reserves attributable to that asset, a comparison between the net book value of the asset and the discounted future cash flows from the estimated recoverable uranium reserves is undertaken. To the extent that the carrying amount exceeds the recoverable amount, the asset is written down to its recoverable amount, with the write off charged to the statement of comprehensive income.

1.7 Amortisation of developed uranium assets

Developed uranium assets are amortised on a unit of production basis using the ratio of uranium production in the period to the estimated quantity of commercial reserves at the end of the period plus production in the period. Changes in estimates of commercial reserves or future development costs are dealt with prospectively.

1.8 Decommissioning costs

Where a material liability for the removal of production facilities and site restoration at the end of the field life exists, a provision for decommissioning is recognised. The amount recognised is the present value of estimated future expenditure determined in accordance with local conditions and requirements. An asset of an amount equivalent to the provision is also created and depreciated on a unit of production basis. Changes in estimates are recognised prospectively, with corresponding adjustments to the provision and the associated asset.

1.9 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost and comprise cash in hand, cash at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position. For the purposes of the statement of cashflows, cash and cash equivalents also includes any the bank overdrafts.

1.10 Investments in subsidiaries

Investments in subsidiary companies are stated at cost less provision for impairment in the Company's statement of financial position.

1.11 Foreign currencies

(i) Functional and presentational currency
Items included in the Group's and Parent Company's financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The Directors consider the Pound Sterling to be the Parent Company's functional currency. The Group and Company financial statements are presented in US$.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. The year-end rate applied was £1: US$1.299 (2016: £1: US$1.33898)

Transactions in the accounts of individual Group companies are recorded at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the statement of financial position date. All differences are taken to the statement of comprehensive income.

1.12 **Deferred taxation**

Deferred income taxes are provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using tax rates that have been enacted or substantially enacted and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled. The principal temporary differences arise from depreciation or amortisation charged on assets and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

1.13 **Receivables**

Receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets' carrying amount and the recoverable amount. Provisions for impairment of receivables are included in the statement of comprehensive income.

1.14 **Payables**

Payables are recognised initially at fair values and subsequently measured at amortised cost using the effective interest method.

1.15 **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the increase of new shares or options are shown in equity as a deduction from the proceeds.

1.16 **Critical accounting judgements and estimates**

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. IFRS also require management to exercise its judgement in the process of applying the Group's accounting policies. The prime areas involving a higher degree of judgement or complexity, where assumptions and estimates are significant to the financial statements, are as follows:

Impairment of exploration and evaluation of assets

The Group determines whether exploration and evaluation assets are impaired when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Such indicators include the point at which a determination is made as to whether or not commercial reserves exist. The carrying amount of exploration and evaluation assets at 30 June 2017 is included in note 9 to the financial statements.

2. **Segmental reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment and that make strategic decisions, has been identified as the Board of Directors.

The Group had no operating revenue during the period.

The Group operates in one segment, the exploration and evaluation of uranium. The Parent Company operates a head office based in the United Kingdom which incurred certain administration and corporate costs. The Group's operations span two countries, Tanzania and the United Kingdom.

Segment results	**Segment results**	
	2017	**2016**
	US$'000	**US$'000**
Uranium (Tanzania)	(93)	(25)
Administration and Corporate (UK)	138	(193)
Uranium (Tanzania) Impairment	(1,584)	(14,901)
Total operating loss of all segments	(1,539)	(15,119)
Finance expense	(14)	(11)
Foreign exchange (losses)	(45)	(317)
Loss before and after tax	(1,598)	(15,447)

The Group's depreciation, amortisation and capital expenditure is incurred entirely within the Tanzanian segment.

Segment assets and liabilities	**Non-Current Assets**		**Non-Current Liabilities**	
	2017	**2016**	**2017**	**2016**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Uranium (Tanzania)	1,200	2,800	-	-
Administration and Corporate (UK)	-	-	-	-
Total of all segments	1,200	2,800	-	-

	Total Assets		**Total Liabilities**	
Segment assets and liabilities	**2017**	**2016**	**2017**	**2016**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Uranium (Tanzania)	1,210	2,808	38	43
Administration and Corporate (UK)	4	14	1,974	2,020
Total of all segments	1,214	2,822	2,012	2,063

3. Group operating loss

	2017	**2016**
	US$'000	**US$'000**
The Group's operating loss is stated after charging / (crediting):		
Accounting fees	23	18
Audit fees	18	17
Broker / Nomad fees	51	59
Directors' remuneration (excluding share-based payments)	91	80
Salary	55	-
Listing costs	6	16
Travel and accommodation expenses	3	-
General expenses	34	28
Salary payable write-off	(326)	-

Impairment charge	1,584	14,901

4. **Interest**

	2017 US$'000	2016 US$'000
Foreign exchange (losses)	(45)	(317)
Loan interest payable	(14)	(11)

5. **Taxation**

	2017 US$'000	2016 US$'000
UK corporation tax	-	-
Overseas tax	-	-
Deferred tax	-	-
Total tax charge	-	-
The tax charge can be reconciled to the loss for the year as follows:		
Loss for the year	(1,598)	(15,447)
Tax at the standard rate of UK corporation tax of 19.75% (2016: 20%)	(316)	(3,205)
Effects of:		
Disallowed expenses	-	-
Tax losses carried forward not yet recognised as a deferred tax asset	316	3,205
Total tax charge	-	-

At the year-end date, the Group has unused tax losses of US$20,443,000 (2016: US $19,452,000) available for offset against suitable future profits. A deferred tax asset has not been recognised in respect of such losses due to the uncertainty of future profit streams. The deferred tax asset at 17% (2016: 18%) is estimated to be US$3,475,310 (2016: US$ 3,501,360).

6. **Loss per share**

The basic loss per ordinary share is 0.21 cents (2016: 203.89 cents) and has been calculated using the loss for the financial year of US$ 1,598,000 (2016: loss US$ 15,447,000) and the weighted average number of ordinary shares in issue of 757,632,495 (2016: 757,632,495).

The diluted loss per share has been kept the same as the basic loss per share as the conversion of share options decreases the basic loss per share, thus being anti-dilutive.

7. **Holding company profit and loss account**

In accordance with the provisions of the Section 408 of the Companies Act 2006, the Parent Company has not presented a statement of comprehensive income. A loss for the year ended 30 June 2017 of US$ 991,000 (2016: loss US$13,316,000) has been included in the consolidated statement of comprehensive income.

8. **Staff costs (including Directors)**

	2017 US$'000	2016 US$'000
Wages, salaries and fees	146	107
Social security costs (including refunds)	-	-
	146	107

Transferred to intangible assets	-	(27)
Salary payable write-off	(326)	-
	(180)	80

Key management of the Group are considered to be the Directors of the Company and their accrued remuneration was as follows:

	2017 (US$'000s)		**2016 (US$'000s)**	
	Fees/ allowances / salaries	**Total**	**Fees/ allowances/ salaries**	**Total**
Ross Warner	-	-	-	-
James Pratt	-	-	-	-
Alex Gostevskikh [1]	91	91	80	80
Andrew Lewis	-	-	-	-
Total Key Management	91	91	80	80

[1]During the period nil % (2016: 25% - US$26,704) of Alex Gostevskikh's salary was capitalised to intangibles.

Directors have agreed to reduce their salary liabilities to GBP 35,000. The amount relating to the salary write off in the current year amounts of US$ 326,052 (GBP 257,091) and is disclosed within Administrative expenses.

9. Exploration and evaluation assets

Group	**Exploration and evaluation expenditure**
Cost and net book value	**US$'000**
At 1 July 2015	17,651
Additions	142
Foreign exchange	(92)
Impairment	(14,901)
At 30 June 2016	2,800
Foreign exchange	(16)
Impairment	(1,584)
At 30 June 2017	**1,200**

The Group's intangible asset consists entirely of capitalised exploration and evaluation expenditure. The exploration and evaluation ("E&E") asset represents costs incurred in relation to the Group's Tanzanian licences. These amounts have not been written off to the statement of comprehensive income as exploration expenses because commercial reserves have not yet been established nor has the determination process been completed.

In June 2017, the Company commissioned a report from Micon to estimate the current fair-market value of the Mtonya Project. The independent appraiser determined the value of uranium resources within the range US$240,000 to US$960,000.

The major shareholder of the Company, Estes Limited, proposed to exchange URA's interest in the Mtonya Project, which is held through several URA's Tanzanian subsidiaries for consideration of US$ 1,200,000 of Estes debt (see Note 17 Events after the reporting date).

The Board considered the depressed uranium market, no further drilling activity has been undertaken in Mtonya since 2013 and uncertainty in the actual uranium mineral resources being held in Mtonya decided to impair the exploration and evaluation assets to the highest of the fair value and value in use, which is US$ 1,200,000.

As a result the impairment was recognised as of June 30, 2017 at the total amount of US$1,584,000. (2016: £14,901,000)

10. Investments in subsidiary undertakings

	Loans to subsidiary undertakings US$'000	Investments in subsidiary undertakings US$'000	Total US$'000
Company			
Cost			
At 1 July 2015	14,338	3,846	18,184
Loans granted/Investments	118	27	145
Impairment	(14,220)	(681)	(14,901)
Foreign exchange on loans	(236)	(571)	(807)
At 30 June 2016	**-**	**2,621**	**2,621**
Loans granted/Investments	100	-	100
Impairment	(100)	(1,343)	(1,443)
Foreign exchange	-	(78)	(78)
At 30 June 2017	**-**	**1,200**	**1,200**

The Company's subsidiary undertakings as at 30 June 2017 were as follows:

Subsidiary undertakings	Principal activities	Percentage of ordinary share capital held
Direct		
Deep Yellow Tanzania Limited	Uranium exploration	100%
URA (St Henri) Limited	Dormant	100%
WML Uranium Holdings Limited	Holding company	100%
Indirect		
Western Metals Tanzania Limited	Uranium exploration	100%
Western Metals Exploration Limited	Dormant	100%
Western Metals Uranium Limited	Dormant	100%

In June 2017, the Company commissioned a report from Micon to estimate the current fair-market value of the Mtonya Project. The independent appraiser determined the value of uranium resources within the range US$240,000 to US$960,000.

The major shareholder of the Company, Estes Limited, proposed to exchange URA's interest in the Mtonya Project, which is held through several URA's Tanzanian subsidiaries for consideration of US$ 1,200,000 of Estes debt.

As of June 30, 2017 the impairment at the total amount of US$1,443,000 was recognised in the Company individual financial statements, reducing the value of the Investments to the highest of the fair value and value in use.

11. **Receivables**

	2017		2016	
	Group US$'000	**Company US$'000**	**Group US$'000**	**Company US$'000**
Other receivables	8	-	-	-

12. **Trade and other payables**

	2017		2016	
	Group US$'000	**Company US$'000**	**Group US$'000**	**Company US$'000**
Trade payables	42	42	287	287
Accruals and other payables	58	20	61	18
	100	62	348	305

13. **Borrowings –current**

	2017		2016	
	Group US$'000	**Company US$'000**	**Group US$'000**	**Company US$'000**
Borrowings in period	1,912	1,912	1,715	1,715
Borrowings carried forward	1,912	1,912	1,715	1,715

On 15 March 2013, the Company entered into a US$1 million loan facility agreement with its major shareholder and strategic investor Estes Limited. The Loan facility, which is unsecured, has been fully utilised. The Loan bears interest at LIBOR.

On 18 March 2014, the Company entered into a US$300,000 loan facility agreement with its major shareholder and strategic investor Estes Limited. The Loan facility is unsecured. As of 30 June 2016 the Company had drawn down $290,000 against the available facility. The Loan bears interest at LIBOR.

On 19 February 2015, the Company entered into a US$200,000 loan facility agreement with its major shareholder and strategic investor Estes Limited. Subsequently the total principle amount was increased to US$500,000. The Loan facility is unsecured. As of 30 June 2017 the Company had drawn down US$497,687 against the available facility. The Loan bears interest at LIBOR.

On January 16, 2017 the Company entered into a US$50,000 loan facility agreement with its major shareholder and strategic investor Estes Limited. Subsequently the total principle amount was increased to US$210,000. The Loan facility is unsecured. As of 30 June 2017 the Company had drawn down US$144,525 against the available facility. The Loan bears interest at LIBOR.

At 30 June 2017, the Company had drawn down US$1,872,212 (excluding interest) against these facilities. Interest accrued as of the reporting date is US$ 39,425.

Please see note 17 for the status of the above loans discussed as of the date of signing the Financial Statements.

Estes has proposed to acquire Mtonya in partial settlement of the debt owed to it by the Company. The partial settlement will be at the amount of US$1.2 million. In addition, Estes is also willing to capitalise the remaining debt owed to it by the Company at a price of 0.5p per Share. For more detailed information see Note 17.

14. **Share capital**

	2016 US$'000	2015 US$'000
Allotted, called up and fully paid share capital		
757,632,495 (2016 - 745,493,750) ordinary shares of 0.1p each	1,225	1,225

During the year ended June 30, 2017 there were no changes in the Share capital of the Company.

15. **Decommissioning expenditure**

The Directors have considered the need for any necessary provision for the cost of rectifying any environmental damage, as might be required under local legislation and the Group's licence obligations. In their view, no provision is necessary at 30 June 2017 for any future costs of decommissioning or any environmental damage.

16. **Financial instruments**

Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates on classes of financial assets and financial liabilities, was as follows:

Financial liabilities and assets:	Floating interest rate 30 June 2017 US$'000	Fixed interest rate 30 June 2017 US$'000	Floating interest rate 30 June 2016 US$'000	Fixed interest rate 30 June 2016 US$'000
Borrowings	1,912	-	1,715	-
Cash at bank	6	-	22	-

The effective weighted average interest rate was 0.77% (2016: 0.69%) on financial liabilities.

The net fair value of financial assets and financial liabilities approximates to their carrying amount as disclosed in the statement of financial position and in the related notes.

Financial risk management

The Directors recognise that this is an area in which they may need to develop specific policies should the Group become exposed to further financial risks as the business develops.

Capital risk management

The Group considers capital to be its equity reserves. At the current stage of the Group's life cycle, the Group's objective in managing its capital is to ensure funds raised meet the exploration expenditure commitments.

The Group ensures it is meeting its objectives by reviewing its KPIs to ensure its exploration activities are progressing in line with expectations, controlling costs and placing unused funds on deposit to conserve resources and increase returns on surplus cash held.

17. **Events after the year end date**

Estes has informed the Board that it is unwilling to continue lending the Company funds for working capital purposes. However it has indicated that it would be willing to acquire Mtonya in partial settlement of the debt owed to Estes by the Company. The partial settlement will be the amount of US$1.2 million. In addition, Estes is also willing to capitalise the remaining debt owed to it by the Company at a price of 0.5p per Share.

The Board considered the depressed Uranium market, no further drilling activity has been undertaken in Mtonya since 2013 and uncertainty in the actual uranium mineral resources being held in Mtonya decided to accept this proposal as it is 25 per cent higher than the top of the fair market range provided in the report by an independent appraiser in June 2017 (see Note 9 Exploration and evaluation assets).

Directors of the Company have agreed to write off the fees owed to them such that the Company will owe them GBP 35,000.

All these transactions should be approved on the Shareholders Meeting in December 2017.

18. **Related party transactions**

Key management of the Group are considered to be the Directors of the Company. There are no transactions with the Directors other than the above, and their remuneration and interests in shares and share options. The remuneration of individual Directors is shown in the Directors' Report.

Estes Limited, the Company's ultimate controlling party, provided an additional loan facility during the period. As at 30 June 2017, the outstanding balance and the maximum outstanding during the year was US$1,912,000 (2016: US$1,715,000). During the year, interest of US$13,692 was charged. Further details of the loan facility are included in note 13 and 14 to the financial statements.

Estes has informed the Board that it is unwilling to continue lending the Company funds for working capital purposes. However it has indicated that it would be willing to acquire Mtonya in partial settlement of the debt owed to Estes by the Company. The partial settlement will be the amount of US$1.2 million. In addition, Estes is also willing to capitalise the remaining debt owed to it by the Company at a price of 0.5p per Share. For more detailed information please see note 17 Events after the reporting date.

19. **Ultimate controlling party**

As at 30 June 2017, the Company's ultimate controlling party is Estes Limited which owns 55.1% of the Company's issued share capital. Details of transactions with Estes are included in note 18.