



Uranium Resources

Half-year Report

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Uranium Resources PLC
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Uranium Resources plc ("Uranium Resources" or "the Company") Half-Year Results

Uranium Resources, the AIM listed uranium exploration company operating in Tanzania, announces its results for the six month period ended 31 December 2016.

Managing Director's Report

The six month period ended 31 December 2016 saw the Company continue its discussions with parties interested in partnering Uranium Resources to develop its Mtonya Project ("Mtonya") in the United Republic of Tanzania. Discussions are ongoing with one potential partner, however, there can be no certainty that a transaction to progress activities at Mtonya will be concluded.

During the period, the uranium market conditions remained challenging with prices at all-time lows. However, there was a brief rally in the uranium price in January 2017 following the decision by major supplier Kazakhstan to reduce output although the market fundamentals have not changed significantly. The Board believe this pricing environment will continue while there are tentative signs that conditions may improve this year.

During the reporting period, the main Mtonya exploration licence reached the end of its exploration term, at which point it should be converted to a mining licence. Therefore the Company has applied for an extension to the exploration period. The Board continues to believe that the extension to the exploration period will be granted, however this cannot be guaranteed. The Company will make further announcements regarding the status of the Mtonya licence as appropriate.

Some delays with the granting of the extension may have been caused by the continued realignments in the government following the Tanzanian General Election in the autumn of 2015. The Company hopes that the ongoing changes in government herald further improvements in the Tanzanian natural resources regulatory framework that shall position the country well in the overdue resurgence of the mining sector.

The directors continue to assess a variety of strategic options to enhance value for shareholders, in the meantime the Company remains grateful for the ongoing support of its major investor Estes Limited which continues to provide and extend debt facilities for Uranium Resources.

Financial results

I am reporting a pre-tax loss for the six months ended 31 December 2016 of US\$289,000 (6 months ended 31 December 2015: US\$266,000; Year ended 30 June 2016: US\$15,447,000 mainly due to the impairment of the Exploration and evaluation assets). The Company's board continues to evaluate additional financing options.

Outlook

Uranium Resources has developed a credible exploration model which led to the discovery of the Mtonya uranium deposit that is thought to be amenable to in-situ recovery (ISR).

Estes Limited remains supportive of the Mtonya project and the Company, which was once again demonstrated as they agreed to provide a loan extension and a further loan facility of US\$50,000 following the period end in January 2017.

The Company has and will continue to investigate opportunities for engaging a strategic investor to advance Mtonya as well as other growth opportunities.

Alex Gostevskikh

****ENDS****

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

Alex Gostevskikh Uranium Resources plc Tel: +255 752 968 062

Matthew Johnson / Northland Capital Partners Tel: +44 203 861 6625
David Hignell Ltd

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

Half-year ended	Half-year ended	Year ended
31 Dec 2016	31 Dec 2015	30 June
(Unaudited)	(Unaudited)	2016
US\$'000s	US\$'000s	(Audited)

				US\$'000s
	Note			
Administrative expenses		(141)	(120)	(218)
Impairment of exploration assets		-	-	(14,901)
Total administrative expenses and group operating loss		(141)	(120)	(15,119)
Interest payable and foreign exchange losses		(148)	(146)	(328)
Loss before taxation		(289)	(266)	(15,447)
Taxation	3	-	-	-
Loss for the period		(289)	(266)	(15,447)
Other comprehensive income				
Exchange differences on translating foreign operations		127	72	220
Total comprehensive loss attributable to the equity holders of the parent		(162)	(194)	(15,227)
Loss per share (cents)				
Basic and diluted	4	(0.04)	(0.04)	(203.89)

**UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Notes	31 Dec 2016 (Unaudited) US\$'000s	31 Dec 2015 (Unaudited) US\$'000s	30 June 2016 (Audited) US\$'000s
ASSETS				
Non-current assets				
Exploration & evaluation assets	5	2,786	17,684	2,800
		2,786	17,684	2,800
Current assets				
Other receivables		-	1	-
Cash and cash equivalents		12	33	22
		12	34	22
Total Assets		2,798	17,718	2,822
LIABILITIES				
Non-current liabilities				
Borrowings		-	-	-
Current liabilities				
Borrowings	6	(1,820)	(1,627)	(1,715)
Trade and other payables		(381)	(299)	(348)
		(2,201)	(1,926)	(2,063)

Total Liabilities	(2,201)	(1,926)	(2,063)
Net Assets	597	15,792	759
EQUITY			
Share capital	1,225	1,225	1,225
Share premium	21,776	21,776	21,776
Foreign exchange reserve	21	(254)	(106)
Retained losses	(22,425)	(6,955)	(22,136)
Total Equity	597	15,792	759

**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016**

	Share capital	Share premium	Foreign exchange reserve	Retained losses	Total shareholders' equity
	US\$'000s	US\$'000s	US\$'000s	US\$'000s	US\$'000s
As at 1 July 2015	1,225	21,776	(326)	(6,689)	15,986
Total comprehensive income	-	-	72	(266)	(194)
Balance at 31 December 2015	1,225	21,776	(254)	(6,955)	15,792
Total comprehensive income	-	-	148	(15,181)	(15,033)
Balance at 30 June 2016	1,225	21,776	(106)	(22,136)	759
Total comprehensive income	-	-	127	(289)	(162)
Balance at 31 December 2016	1,225	21,776	21	(22,425)	597

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016**

	Half-year ended 31 Dec 2016 (Unaudited) US\$'000s	Half-year ended 31 Dec 2015 (Unaudited) US\$'000s	Year ended 30 June 2016 (Audited) US\$'000s
Cash flows from operating activities			
Loss for the period	(289)	(266)	(15,447)
Impairment of exploration and evaluation assets	-	-	14,901

Interest payable	6	5	11
Foreign exchange loss/ (gain)	142	77	319
Decrease in receivables	-	9	10
Increase in payables	28	33	5
Net cash used in operating activities	(113)	(142)	(201)
Investing activities			
Funds used for exploration and evaluation	-	(54)	(87)
Net cash used in investing activities	-	(54)	(87)
Financing activities			
Borrowings	98	206	288
Net cash from financing	98	206	288
(Decrease)/increase in cash and cash equivalents	(15)	10	-
Foreign exchange movements on cash	5	2	1
Cash and cash equivalents at beginning of the period	22	21	21
Cash and cash equivalents at the end of the period	12	33	22

NOTES TO THE UNAUDITED HALF-YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

1 General information

Uranium Resources Plc ('the Company') is domiciled in England. The condensed consolidated half-year accounts of the Company for the six months ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as 'the Group').

The condensed half-year accounts for the period 1 July 2016 to 31 December 2016 are unaudited. In the opinion of the Directors the condensed half-year accounts for the period presents fairly the financial position, and results from operations and cash flows for the period in conformity with the generally accepted accounting principles consistently applied. The condensed half-year accounts incorporate unaudited comparative figures for the interim period 1 July 2015 to 31 December 2015 and the audited financial year to 30 June 2016.

The financial information contained in this half-year report does not constitute statutory accounts as defined by section 434 of the Companies Act 2006.

The comparatives for the full year ended 30 June 2016 are not the Company's full statutory accounts for that year. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain a statement under section 498 (2) - (3) of the Companies Act 2006.

2 Accounting policies

The condensed half-year accounts have been prepared using policies based on International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU. The condensed half-year accounts have been prepared using the accounting policies which are expected to be applied in the Group's statutory financial statements for the year ending 30 June 2017.

Basis of preparation and going concern

At 31 December 2016 the Company had drawn down US\$1,787,687 against the available facilities of US\$1,800,000 and had incurred accrued interest of US\$32,179 in total. The facilities, which are unsecured and bear interest at LIBOR, are for working capital.

Estes continues to show its support in providing this flexible funding option to the Company. As stated above the Group plans to continue its work programme, however the undrawn funds available from the loan facility, in conjunction with the Group's current cash resources, do not provide the Group with sufficient available resources to meet all of its commitments for the next 12 months; the Group will therefore need to raise additional funds.

The Directors remain confident that Mtonya's potential, together with the Group's historic track record of raising additional funds and the interest being shown from potential partners, will enable the Group to fully finance its obligations beyond a period of at least 12 months from the date of this report, including meeting future capital and working capital requirements and also settling the Estes loan facilities, which are due for repayment within the next 12 months, accordingly these condensed half-year accounts are prepared on a going concern basis.

Standards, amendments and interpretations effective in 2016:

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:

- IFRS 9: Financial instruments (Effective 1 January 2018)
- IFRS 15 - Revenue from Contracts with Customers (Effective 1 January 2018)
- IFRS 16 - Leases (Effective 1 January 2019)

No any pronouncements are expected to have a material impact on the Group's earnings or shareholders' funds.

3 Taxation

The Group's Tanzanian tax compliance are subject to tax audit by the Tanzanian Revenue Authority, which is empowered by law to impose severe fines, penalties and interest charges for late payments in case of non-compliance.

Taxation system in Tanzania can be subject to different interpretations but management believes that it has adequately provided for the tax liabilities based on its interpretation of the tax legislation.

As at 31 December 2016 no provision has been made (31 December 2015 and 30 June 2016 - \$Nil).

4 Loss per share

The basic loss per share has been calculated using the loss attributable to equity shareholders for the financial period of US\$289,000 (six months ended 31 December 2015: US\$266,000; year ended 30 June 2016: US\$15,447,000) and the weighted average number of ordinary shares in issue of 757,632,495 (31 December 2015: 757,632,495; 30 June 2016: 757,632,495). A separate diluted loss per share has not been calculated because any potentially dilutive shares would decrease the basic loss per share, thus being anti-dilutive.

5 Exploration and evaluation assets

Unaudited 31 Dec 2016	Unaudited 31 Dec 2015	Audited
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	US\$'000s	US\$'000s	30 June 2016 US\$'000s
Exploration and evaluation			
Cost and net book value			
At beginning of period	2,800	17,651	17,651
Additions	28	68	142
Foreign exchange	(42)	(35)	(92)
Impairment	-	-	(14,901)
Total net book value	2,786	17,684	2,800

In accordance with the Group's accounting policy, the Group's exploration and evaluation assets are reviewed for impairment when there have been circumstances suggesting that there has been the possibility of impairment. Accordingly the directors reviewed the impairments required on each of the exploration and evaluation projects and the carried value for each of the condemned projects were impaired in full in the year ended 30 June 2016. The total impairment charge for the current half year period is \$Nil (six months ended 31 December 2015: Nil and year ended 30 June 2016: US\$14,901,000). The remaining carried value relates entirely to the Company's flagship project Mtonya.

6 Borrowings

	Unaudited 31 Dec 2016 US\$'000s	Unaudited 31 Dec 2015 US\$'000s	Audited 30 June 2016 US\$'000s
Brought forward	1,715	1,416	1,416
Borrowings in period	98	206	288
Interest accrued in period	7	5	11
Borrowings carried forward	1,820	1,627	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. As of the date of signing of the Financial Statements the loan agreement was extended until 15 March 2017.

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 31 December 2016 the Company had drawn down \$290,000 against the available facility. The Loan bears interest at LIBOR. As of the date of signing of the Financial Statements the loan agreement was extended until 15 March 2017.

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 31 December 2016 the Company had drawn down US\$497,687 against the available facility. The Loan bears interest at LIBOR. As of the date of signing of the Financial Statements the loan agreement was extended until 15 March 2017.

7 Related party transactions

During the period there were no related party transactions to disclose other than mentioned above in Note 6. The only transactions with the Directors relate to their remuneration and interests in shares and share options.

8. Events after the period end date

There were no significant events after the period end date.

This information is provided by RNS
The company news service from the London Stock Exchange

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