Company Number: 05329401 (England & Wales)

URANIUM RESOURCES PLC

GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

CONTENTS

DIRECTORS, SECRETARY AND ADVISERS

Directors	Alex Gostevskikh (Managing Director) Ross Warner (Executive Director) James Pratt (Executive Director) Andrew Lewis (Non-Executive Director) Viacheslav Medvedev (Non-Executive Director) Dimitri Pashov (Non-Executive Director)
Company Secretary	John Bottomley
Registered Office	One America Square Crosswall London EC3N 2SG
Company Number	05329401
Nominated Adviser and Broker	Ambrian Partners Limited Old Change House 128 Queen Victoria Street London EC4V 4BJ
Solicitors	Watson, Farley & Williams 15 Appold Street London EC2A 2HB
Group Auditors	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW
Share Registrar	Computershare Services plc P.O. Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH
Bankers	Barclays Bank plc Level 27 1 Churchill Place London E14 5HP

MANAGING DIRECTOR'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

The year ended 30 June 2011 was another active period for the Company, which has continued to advance its exploration projects in southern Tanzania.

The last twelve months straddled two drilling programmes and the positive trend set by the final results of the 2010 campaign has been built upon by those so far received from the on-going 2011 programme. All have been consistent with our internal expectations, specifically regarding the form and extent of mineralisation at the site.

Drilling success has been mirrored at the Treasury level. Over the course of the year, we raised a little under US$7.5 million in three tranches at progressively rising valuations. As a result of the fund raisings, our major shareholder, Estes Limited ('Estes'), has increased their stake in the Company to 45.1%, a vote of confidence in both our key prospect and also in our plans to advance Mtonya through the development cycle. With financing in place we anticipate the year ahead will continue in the same vein as the previous twelve months and we look forward to reporting further positive news flow from the 2011 programme.

Exploration

Mtonya
The Company's primary project, Mtonya, is located 100 km east of the district capital of Songea. Its geology consists of Usagaran orogenic basement rocks in the west and sediments of the Luwegu sub basin in the east. Sandstone-hosted uranium mineralisation in the Karoo sandstone units is thought to be similar to that of Uranium One's Nyota deposit, which contains a measured and indicated resource of 93.3 million pounds U_3O_8. The Mtonya project is currently the main target of the Company's on-going two-pronged exploration efforts targeting both the deep and near-surface mineralisation potential.

The results of the 2010 drilling campaign were finalised in March 2011 and led to significant refinements of the Company exploration model. Being overwhelmingly positive, these results were the platform for the subsequent £3million equity placement to the Group's cornerstone investor, Estes.

The funds were put to immediate use and we commenced our latest drilling programme in May 2011. Once completed, the programme will comprise approximately 8,000 metres of diamond drilling. We are still awaiting many assay results from the programme. However, as announced on 20 October 2011, the results that have been received to date on our Mtonya drilling programme have been very encouraging.

We are excited about Mtonya's potential and we are very pleased with the results that are coming from the drilling programme. By confirming mineralised roll-fronts at depth, we have achieved one of the most important milestones in our exploration at Mtonya. Sandstone-hosted targets yield world-class deposits amenable to in-situ recovery - the most economically effective and environmentally benign method of uranium extraction.

We are observing evidence of stacked roll-fronts in rock formations that appear to be suitable for in-situ recovery. We are particularly impressed with significant continuities of the roll-fronts we have identified and we are looking forward to results that improve their overall grade and thickness. The geochemical data from our latest drilling continues to confirm and enhance our proprietary model and substantially improves our drill targeting.

The processing of the rest of the assay results and the completion of the 2011 drilling campaign is expected to lead to resource-definition drilling at Mtonya. We continue drilling very widely-spaced holes intended to establish the magnitude of mineralised roll-fronts and to generate targets for future reverse-circulation or air core drilling.

At the same time, we are continuing to test the near-surface mineralisation and generate encouraging results, substantially extending the limits of already known mineralisation.

Ruvuma

The Ruvuma project is located in southern Tanzania. The two principal targets within this area include Foxy and Eland.

The Company has conducted a thorough compilation of data for Foxy and is augmenting its regional database to enhance the understanding of the project with a view to generating drill targets based on the updated geological model. The exploration strategy for Foxy will be developed once this analysis and field follow-up have been completed.

In 2010, we carried out a comprehensive review of all available data on Eland with the objective of determining the merits of further work. Based on this review, the Directors consider Eland to be a valid carbonatite target and a limited Rare Earth Elements ('REE') focussed field programme is currently in progress.

In conclusion, further fieldwork is required to evaluate both the Eland and Foxy projects. However, the board are encouraged by the data received to date and consider these two prospects important elements of the Group's medium to long-term prospect pipeline.

MANAGING DIRECTOR'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

Ruhuhu

The Ruhuhu tenement located in southwest Tanzania spans the upper Karoo sequence of the Ngaka sub basin in the Ruhuhu basin, approximately 70 km northwest of Songea. The main target within this project is the Pedro prospect. In 2007, we conducted a limited ground fieldwork programme with helicopter support during which a grab sample grading 2,400 ppm U_3O_8 was collected. The geology of Pedro appears to bear similarities with other uranium deposits in the region and is being considered for follow-up work.

In spring 2011, the Company conducted a thorough collation of all available data and review of past work, which generated a number of field follow-up targets.

Fundraising

The Company completed the following share placings during the financial year ended 30 June 2011:

Date	New Shares	Price per Share (GBP)	Gross Proceeds (US$)
23 July 2010	40,000,000	£0.02	$ 1,219,360
26 November 2010	35,250,000	£0.0255	$ 1,418,670
5 April 2011	100,000,000	£0.03	$ 4,839,900

The July 2010 placing was subscribed to by Uranium Resources' major shareholder and strategic investor Estes and also Director, Ross Warner and former Director, Hugh Warner. The November 2010 placing was subscribed to by Estes and a number of new investors. The Placing in April 2011 was solely subscribed to by Estes, their resulting shareholding at 30 June 2011 was 262,500,000 shares or 45.1% of the issued share capital of the Group. There have been no further share placements since the year end.

Management Team

On the 14 June 2011 Hugh Warner resigned from the board, who wish to take this opportunity to thank Hugh for his contribution to advancing the Group over the years. The board welcomed the appointment of Dimitri Pashov as a non-executive director of the company on 15 June 2011. Mr Pashov was nominated by and appointed in accordance with an agreement made with Estes, further strengthening the relationship between the two companies. Mr Pashov is a qualified English solicitor and Russian lawyer and has worked for various international law firms, banks and companies since 1994.

Financial Results

Uranium Resources is at the exploration stage of its development. It is not producing revenue and as such I am reporting a pre-tax loss of $1,159,000 for the year ended 30 June 2011 (2010: loss $1,015,000) including a non-cash cost of $229,000 (2010: $Nil) in respect of share based payments.

MANAGING DIRECTOR'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

Outlook

The outlook for Uranium Resources remains highly positive: the Company has a solid portfolio of assets from which to drive growth and create significant shareholder value; it has secured a cornerstone investor; and it has a strong, focused management team that is rapidly developing the Company's uranium assets.

During the past two years, the Company has been studying its asset base and prioritising exploration targets through the acquisition and comprehensive review of regional and district data. Our thorough process has been vindicated by the progress made during the year, particularly at our most advanced project, Mtonya which has been our main focus. We look forward to advancing Mtonya further by careful analysis of the substantial amounts of data that we will have collected during the 2011 drilling programme. The widely-spaced diamond drill holes continue to generate follow-up targets for reverse-circulation drilling that we expect to be the foundation of our resource-definition programme.

Aside from validating the potential of the resource, the drilling results received to date serve to highlight the calibre of our team whose meticulous research and first class planning continues to bring us ever closer to the point of resource definition at Mtonya, and also bodes well for the development of our less advanced prospects elsewhere in Tanzania.

Finally, I would like to take this opportunity to thank my fellow directors and our shareholders for their dedication and support and look forward to what I believe is a highly promising future.

Alex Gostevskikh
Managing Director
17 November 2011

The Directors present their Directors' report together with the audited financial statements of Uranium Resources Plc and its subsidiary undertakings (“the Group”) and of the Company for the year ended 30 June 2011.

Principal activity

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 activity of the Group is uranium exploration in Tanzania. The Group operates through its parent and subsidiary companies, details of which are set out in note 11 to these financial statements.

Review of the business and future prospects

The Group results for the year and the financial position at 30 June 2011 are considered satisfactory by the Directors. A review of the year’s activities and future prospects is contained in the Managing Director’s Statement.

Key performance indicators

The Group’s main financial key performance indicator (‘KPI’) at this stage of its development is the monitoring of its cash balances. The Group’s cash at 30 June 2011 was $4,137,000 (2010: $551,000). Critical non-financial KPIs, at this stage, are the adherence to licence commitments and the availability of funding to meet those commitments. As the Group develops and grows, further KPIs will be monitored and reported to shareholders.

Results and dividends

The Group made a loss of $1,159,000 for the year ended 30 June 2011 (2010: loss $1,015,000).
The Directors have not recommended any dividends for the year ended 30 June 2011 (2010: $Nil).

Changes in share capital

Details of movements in share capital and share options during the year are set out in note 14 to these financial statements.

Pensions

The Group does not operate a pension scheme and has not paid any contributions to any scheme for Directors or employees.

Going concern

The Group plans to continue its extensive drilling programme in the next twelve months and beyond, which is expected to provide the Directors with more evidence in respect of the Group's Uranium projects and project pipeline.

As at the date of this report the Group has in excess of $2.2million of cash therefore following a review of the Group's financial position and its budgets and plans, the Directors remain confident that the Group's current cash position will enable the Group to fully finance its future working capital and exploration commitment requirements beyond the period of 12 months of the date of this report.

The current committed drilling programme is fully funded from the Group's existing cash resources as at the date of this report. The Group will be evaluating discretionary exploration commitments that could require additional funds to be raised prior to the fourth quarter of 2012, this date could be sooner should these works be accelerated and commenced prior to the fourth quarter of 2012, however the Directors remain confident that should additional funds be required that these funds will be made available to the Group from existing or future shareholders.

Directors' remuneration

Details of the remuneration of the Directors and share options granted to them can be found in note 8 and note 15 to the financial statements. No directors exercised any share options in the year ended 30 June 2011.

Directors' interests in transactions

No Director had, during or at the end of the year, a material interest in any contract which was significant in relation to the Group's business, except in respect of service agreements and share options.

Issue of share options

The movements in share options during the period are detailed in note 15.

Directors

The following Directors held office during the year:

Hugh David Warner	(Resigned 14 June 2011)
James Douglas Ryston Pratt	
Ross Michael Warner	
Alexei Vladimirovich Gostevskikh	
Andrew Mark Lewis	
Viacheslav Mikhailovich Medvedev	
Dimitri Boris Pashov	(Appointed 15 June 2011)

Directors' interests

The beneficial and non-beneficial interests in the Company's shares of the Directors and their families, as reported by the Directors, were as follows:

		30 June 2011		**30 June 2010**	
		Ordinary shares of 0.1p each	***Share options re: Ordinary shares of 0.1p each***	***Ordinary shares of 0.1p each***	***Share options re: Ordinary shares of 0.1p each***
Hugh Warner	(1)	N/A	N/A	24,706,666	10,000,000
James Pratt	(2)	5,940,000	10,000,000	5,940,000	10,000,000
Ross Warner	(3)	5,500,000	10,000,000	3,000,000	10,000,000
Alex Gostevskikh	(4)	-	28,000,000	-	28,000,000
Andrew Lewis	(5)	-	6,000,000	-	6,000,000
Dimitri Pashov	(6)	-	-	-	-
Viacheslav Medvedev	(6)	-	-	-	-

(1) Hugh Warner resigned during the year. As at the 30 June 2011 he was no longer a director therefore no details are provided for 30 June 2011. His shareholding at 30 June 2010 represents 17,280,000 ordinary shares held by a family trust called Elliot Holdings Pty Limited and 7,426,666 ordinary shares held in his own name (all shares are held via Fitel Nominees), in which he has a beneficial interest. As at 30 June 2010 he held 5,000,000 share options exercisable at 2.5p on or before 28 November 2011 and 5,000,000 share options exercisable at 5p on or before 28 November 2011.

(2) James Pratt holds 5,000,000 share options exercisable at 2.5p on or before 28 November 2011 and 5,000,000 share options exercisable at 5p on or before 28 November 2011.

(3) Ross Warner held 5,500,000 (2010: 3,000,000) ordinary shares and 5,000,000 share options exercisable at 2.5p on or before 28 November 2011 and 5,000,000 share options exercisable at 5p on or before 28 November 2011.

(4) Alex Gostevskikh does not own any ordinary shares. He holds 8,000,000 share options exercisable at 2.5p on or before 23 July 2013, 10,000,000 share options exercisable at 5p on or before 23 July 2013 and 10,000,000 share options exercisable at 10p on or before 23July 2013.

(5) Andrew Lewis does not own any ordinary shares. He holds 2,000,000 share options exercisable at 5p on or before July 2013, 2,000,000 share options exercisable at 15p on or before 23 July 2013 and 2,000,000 share options exercisable at 35p on or before 23 July 2013.

(6) Viacheslav Medvedev and Dimitri Pashov are both representatives for Estes Limited on the board of Uranium Resources Plc. As at 30 June 2011 Estes Limited was beneficially interested in 262,500,000 shares of the company.

Internal controls and corporate governance

The Board is responsible for identifying and evaluating the major business risks faced by the Group and for determining and monitoring the appropriate course of action to manage these risks.

Principal risks and uncertainties facing the Group

The business of uranium exploration involves a high degree of risk which a combination of experience, knowledge and careful evaluation may not be able to prevent. Principal risks and uncertainties facing the Group include but are not limited to:

- No assurance that uranium will be discovered and if it is, that it is not economically viable to be recovered.
- Delays in construction or commissioning of drilling projects may result in the Group's projected target dates for production being delayed or further capital expenditure being required.
- Reliance on facilities operated by others over which the Group has no control.
- Market price of uranium and foreign exchange rates which are affected by numerous factors beyond the Group's control but could have a material effect on the financial condition and value of its uranium reserves.
- Operations may be disrupted by a variety of risks and hazards which are beyond the control of the Group, including environmental hazards, accidents, technical failures, and inclement or hazardous weather conditions.
- The political situation in Tanzania exposes the Group to political economic and other uncertainties, including but not limited to terrorism, war, military repression, and changes in energy policies, regulations, taxation, or operations of foreign-based companies.
- The Tanzanian government may not renew licenses that have expired in the normal course of renewal.
- Future exploration and development and/or acquisition of new properties may be dependent upon the Group's ability to obtain suitable financing and at reasonable terms.
- The Group competes with other companies in the search for uranium and other interests as well as for the recruitment and retention of qualified employees.

Use of financial instruments

Uranium Resources' financial risk management objectives are to minimise its liabilities, to fund exploration activity through equity financing and to ensure sufficient working capital for the Group's overhead and capital expenditure commitments. This is achieved by prudent financial management and careful management of the Group's cash balances, both short and long term.

Environment policy statement

The Company closely monitors its exploration activities to ensure to the best of its knowledge there is no potential for environmental breaches. There have been no breaches of the local Tanzanian regulations recorded against the Group during the reporting period or in prior years.

Post balance sheet events

Details of post balance sheet events are disclosed in Note 18 of the financial statements.

Political and charitable donations

There were no political or charitable contributions made by the Group during the year ended 30 June 2011.

Annual general meeting

This report and the financial statements will be presented to shareholders for their approval at the Company's Annual General Meeting ("AGM"). The Notice of the AGM will be distributed to shareholders together with the Annual Report.

Audit committee

The purpose of the Audit Committee, which is chaired by Andrew Lewis, is to provide formal and transparent arrangements for considering how to apply the financial report and internal control principles set out in the UK Corporate Governance Code, and to maintain an appropriate relationship with the Company's auditors. The key terms are as follows:

- to monitor the integrity of the financial statements of the Company, and any formal announcement relating to the Company's performance;
- to monitor the effectiveness of the external audit process and make recommendations to the Board in relation to the appointment, re-appointment and remuneration of the external auditors;
- to keep under review the relationship with the external auditors including (but not limited to) their independence and objectivity;
- to keep under review the effectiveness of the Company's financial reporting and internal control policies and systems; and
- to review, at least annually, the need for an internal audit function.

Remuneration committee

The purpose of the Remuneration Committee, which is chaired by James Pratt, is to establish a formal and transparent procedure for developing policy on executive remuneration and to set the remuneration packages of individual full-time Executive Directors. The key terms are as follows:

- to determine and agree with the Board the framework or broad policy for the remuneration of the full-time Executive Directors;
- to determine the total individual remuneration package of each full-time Executive Director including, where appropriate, bonuses, incentive payments and share options;
- to determine targets for any performance related pay schemes; and
- to determine the policy for and scope of pension arrangements for full-time Executive Directors.

Creditor payment policy and practice

It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, providing that all trading terms and conditions have been complied with.

Statement of directors' responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable laws and International Financial Reporting Standards ("IFRS") as adopted by the European Union. Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

a) select suitable accounting policies and then apply them consistently;
b) make judgements and estimates that are reasonable and prudent;
c) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business;
d) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Group and hence for taking steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Information to shareholders - Website

The Company has its own website (www.uraniumresources.co.uk) for the purposes of improving information flow to shareholders as well as to potential investors.

Statement of disclosures to auditor

So far as all the Directors, at the time of approval of their report, are aware:

a) there is no relevant audit information of which the Group's auditors are unaware; and
b) each Director has taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Auditors

In accordance with Section 489 of the Companies Act 2006, a resolution proposing that UHY Hacker Young LLP be re-appointed as auditors of the Company and that the Directors be authorised to fix their remuneration will be put to the next Annual General Meeting.

By order of the board

Ross Warner
Director
17 November 2011

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF URANIUM RESOURCES PLC
FOR THE YEAR ENDED 30 JUNE 2011

We have audited the financial statements of Uranium Resources plc for the year ended 30 June 2011 which comprise the consolidated statement of comprehensive income, the consolidated and parent company statements of financial position, the consolidated and parent company statements of changes in equity, the consolidated and parent company statements of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Statement of responsibilities of those charged with governance, set out in page 11, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2011 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF URANIUM RESOURCES PLC (Continued)
FOR THE YEAR ENDED 30 JUNE 2011

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Colin Wright (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young
Chartered Accountants
Statutory Auditor

Quadrant House
4 Thomas More Square
London E1W 1YW

17 November 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 US$'000	2010 US$'000 (restated)
Administrative expenses		(1,086)	(1,020)
Group operating loss	3	(1,086)	(1,020)
Interest payable	4	(75)	-
Interest receivable	4	2	5
Loss before taxation		(1,159)	(1,015)
Taxation	5	-	-
Loss for the year		(1,159)	(1,015)
Other comprehensive income			
Exchange differences on translating foreign operations		204	(308)
Total comprehensive loss attributable to the equity holders of the parent		(955)	(1,323)
Loss per share (cents)	6		
Basic and Diluted		(0.24)	(0.28)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Notes	2011 US$'000	2010 US$'000 (restated)
ASSETS			
Non-current assets			
Property, plant & equipment	9	-	15
Exploration and evaluation assets	10	7,704	5,008
		7,704	5,023
Current assets			
Receivables	12	411	20
Cash and cash equivalents		4,137	551
		4,548	571
Total Assets		12,252	5,594
LIABILITIES			
Current liabilities			
Trade and other payables	13	(160)	(199)
Total Liabilities		(160)	(199)
Net Assets		12,092	5,395
EQUITY			
Capital and reserves attributable to equity holders			
Share capital	14	946	668
Share premium		15,743	8,598
Foreign exchange reserve		(104)	(308)
Retained losses		(4,493)	(3,563)
Total Equity		12,092	5,395

The financial statements were approved by the Board of Directors on 17 November 2011 and signed on its behalf by:

Ross Warner
Director

Company Registration Number: 05329401

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Notes	2011 US$'000	2010 US$'000 (restated)
ASSETS			
Non-current assets			
Investments in subsidiaries	11	8,059	4,802
Current assets			
Receivables	12	17	18
Cash and cash equivalents		4,108	527
		4,125	545
Total Assets		12,184	5,347
LIABILITIES			
Current liabilities			
Trade and other payables	13	(67)	(50)
Total Liabilities		(67)	(50)
Net Assets		12,117	5,297
EQUITY			
Capital and reserves attributable to equity holders			
Share capital	14	946	668
Share premium		15,743	8,598
Foreign exchange reserve		(102)	(478)
Retained losses		(4,470)	(3,491)
Total Equity		12,117	5,297

The financial statements were approved by the Board of Directors on 17 November 2011 and signed on its behalf by:

Ross Warner
Director

Company Registration Number: 05329401

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

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 2009 (restated)	482	5,126	-	(2,548)	3,060
Total comprehensive income	-	-	(308)	(1,015)	(1,323)
Transactions with owners:					
Issue of share capital	186	3,502	-	-	3,688
Cost of share issue	-	(30)	-	-	(30)
Total transactions with owners	186	3,472	-	-	3,658
At 30 June 2010 (restated)	668	8,598	(308)	(3,563)	5,395
Total comprehensive income	-	-	204	(1,159)	(955)
Transactions with owners:					
Share based payments	-	-	-	229	229
Issue of share capital	278	7,200	-	-	7,478
Cost of share issue	-	(55)	-	-	(55)
Total transactions with owners	278	7,145	-	229	7,652
At 30 June 2011	946	15,743	(104)	(4,493)	12,092

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 2009 (restated)	482	5,126	-	(2,490)	3,118
Total comprehensive income	-	-	(478)	(1,001)	(1,479)
Transactions with owners:					
Issue of share capital	186	3,502	-	-	3,688
Cost of share issue	-	(30)	-	-	(30)
Total transactions with owners	186	3,472	-	-	3,658
At 30 June 2010 (restated)	668	8,598	(478)	(3,491)	5,297
Total comprehensive income	-	-	376	(1,208)	(832)
Transactions with owners:					
Share based payments	-	-	-	229	229
Issue of share capital	278	7,200	-	-	7,478
Cost of share issue	-	(55)	-	-	(55)
Total transactions with owners	278	7,145	-	229	7,652
At 30 June 2011	946	15,743	(102)	(4,470)	12,117

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	2011 US$'000	2010 US$'000 (restated)
Cash flows from operating activities		
Loss for the year	(1,159)	(1,015)
Share based payments charge	229	-
Interest income	(2)	(5)
Depreciation	2	-
Foreign exchange	75	-
Decrease in receivables	-	20
Decrease in payables	(39)	(30)
	(894)	(1,030)
Investing activities		
Acquisition of subsidiaries, net of cash acquired (note 21)	-	(2,287)
Funds used for exploration and evaluation	(2,872)	(419)
Funds used for plant and equipment	-	(16)
Interest received	2	5
Net cash used in investing activities	(2,870)	(2,717)
Financing activities		
Cash proceeds from issue of shares	7,478	3,225
Share issue costs paid	(55)	(30)
Net cash inflow from financing	7,423	3,195
Increase/(decrease) in cash and cash equivalents	3,659	(552)
Foreign exchange movements on cash	(73)	(55)
Cash and cash equivalents at beginning of the year	551	1,158
Cash and cash equivalents at the end of the year	4,137	551

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	2011 US$'000	2010 US$'000 (restated)
Cash flows from operating activities		
Loss for the year	(1,208)	(1,001)
Interest income	(2)	(5)
Share based payments charge	229	-
Foreign exchange	145	4
(Increase) / decrease in receivables	(1)	23
Increase / (decrease) in payables	17	(117)
Net cash used in operating activities	(820)	(1,096)
Investing activities		
Loans granted to subsidiaries	(2,951)	(383)
Investment in subsidiaries (note 21)	-	(2,298)
Interest received	2	5
Net cash used in investing activities	(2,949)	(2,676)
Financing activities		
Cash proceeds from issue of shares	7,478	3,225
Share issue costs paid	(55)	(30)
Net cash inflow from financing	7,423	3,195
Increase/(decrease) in cash and cash equivalents	3,654	(577)
Foreign exchange retranslation	(73)	(54)
Cash and cash equivalents at beginning of the year	527	1,158
Cash and cash equivalents at the end of the year	4,108	527

1. Accounting policies

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 2011 and for the comparative year ended 30 June 2010 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 IFRS6 '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.

1.2 Restatement of presentational currency

Effective 1 July 2010, the Group's presentation currency changed from pounds sterling ('£') to the US dollar ('$'). This change was made to make the results of the Group and Company more comparable with AIM listed peer mining companies, which tend to report in US dollars, consequently the Directors considered that the results of the Group and Company should be reported in US dollars.

Under IFRS the change to the US Dollar as presentation currency is a change in accounting policy and consequently requires the restatement of the prior year balances. The financial information for the year ended 30 June 2010 has been re-presented in US dollars. The comparatives were translated for the statement of financial position using $:£ exchange spot rate on that date, being $1.5067:£1, for equity balances at the prevailing historical rate since 1 July 2009 and for the statement of comprehensive income using the average $:£ exchange rate during the year being $1.5814:£1, and for the opening balances as at 1 July 2009 using the $:£ spot rate on that date being $1.6565:£1.

Resulting exchange differences have been taken to the foreign exchange reserve. Total equity at 30 June 2010 was reported in pounds sterling as £3,580,381 (2009: £1,847,593) which was represented into US$ at 30 June 2010 as $5,395,000 (2009: $3,060,000).

1.3 Going concern

The Group plans to continue its extensive drilling programme in the next twelve months and beyond, which is expected to provide the Directors with more evidence in respect of the Group's Uranium projects and project pipeline.

As at the date of this report the Group has in excess of $2.2million of cash therefore following a review of the Group's financial position and its budgets and plans, the Directors remain confident that the Group's current cash position will enable the Group to fully finance its future working capital and exploration commitment requirements beyond the period of 12 months of the date of this report.

The current committed drilling programme is fully funded from the Group's existing cash resources as at the date of this report. The Group will be evaluating discretionary exploration commitments that could require additional funds to be raised prior to the fourth quarter of 2012, this date could be sooner should these works be accelerated and commenced prior to the fourth quarter of 2012, however the Directors remain confident that should additional funds be required that these funds will be made available to the Group from existing or future shareholders.

1.4 Basis of consolidation

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.

1.5 New IFRS standards and interpretations

The financial statements have been drawn up on the basis of accounting standards, interpretations and amendments effective at the beginning of the accounting period. The following new standards, interpretations and amendments to published standards effective in the year have been adopted by the Group:

International Accounting Standards (IAS/IFRS)		**Effective date**
IFRIC 9 & IAS39	Amendment - Embedded Derivatives	1 Jan 2010
IFRS 2	Amendment – Group cash settled share-based payments	1 Jan 2010
Improvements to IFRSs	Amendments to various statements issued 6 May 2010	1 Jan 2010
IAS 32	Amendment - Classification of Right Issues	1 Feb 2010
International Financial Reporting Interpretations (IFRIC)		
IFRIC 16	Hedges of Net Investment in a Foreign Operation	1 Jan 2010
IFRIC 17	Distributions of non-cash assets to owners	1 Jan 2010
IFRIC 18	Transfers of assets from customers	1 Jan 2010
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	1 Jul 2010

Standards, amendments and interpretations, which are effective for reporting periods beginning after the date of these financial statements which have not been adopted early:

Standard		**Effective date**
IAS 24	Revised - Related Party Disclosures	1 Jan 2011
IFRIC 14	Amendment - IAS 19 Limit on a defined benefit asset	1 Jan 2011
IFRS 7 *	Amendment - Transfer of financial assets	1 Jul 2011
Improvements to IFRSs	Annual improvements - Miscellaneous amendments	1 Jan 2011
IAS 12 *	Deferred Tax: Recovery of Underlying Assets	1 Jan 2012
IAS 1 *	Amendment - Presentation of Items of Other Comprehensive	1 Jul 2012
IFRS 9 *	Financial instruments	1 Jan 2013
IFRS 10 *	Consolidated financial statements	1 Jan 2013
IFRS 11 *	Joint arrangements	1 Jan 2013
IFRS 12 *	Disclosure of Involvement with Other Entities	1 Jan 2013
IAS 28 *	Investments in Associates (revised 2011)	1 Jan 2013
IAS 27 *	Separate Financial Statements (revised 2011)	1 Jan 2013
IFRS 13 *	Fair Value Measurement	1 Jan 2013
IAS 19 *	Employee Benefits	1 Jan 2013

* Not yet endorsed by European Union. The adoption of IFRS 9 will eventually replace IAS 39 in its entirety and consequently may have a material affect the presentation, classification, measurement and disclosures of the Group's financial instruments, however its impact on the financial statements has not yet been assessed. Except for the amended disclosure requirements of IAS 24 (Revised), the new standards, amendments and interpretations are not expected to materially affect the Group's reporting or reported numbers in future periods.

1.6 **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 1.9 below.

1.7 **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.

1.8 **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.

1.9 **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.

1.10 **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.

1.11 Property, plant and equipment

Property, plant and equipment are recorded at cost less depreciation and any impairment.

The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Depreciation

Depreciation is calculated on a straight-line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The following useful lives are used in the calculation of depreciation:
Plant and equipment 3 –5 years

1.12 Investments in subsidiaries

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

1.13 Share based payments

The Company has made share-based payments to certain directors and employees by way of share options. The fair value of these payments is calculated by the Company using the Black Scholes option pricing model, as the Directors believe that the options are likely to be exercised nearer their expiry dates. The expense is recognised on a straight line basis over the period from the date of award to the date of vesting, based on the Company's best estimate of shares that will eventually vest.

1.14 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.

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.

1.15 **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.

1.16 **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.

1.17 **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.

1.18 **Payables**

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

1.19 **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.

1.20 **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 intangible assets
The Group determines whether intangible 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 intangible assets at 30 June 2011 is included in note 10 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 result

	Segment results	
	2011	**2010**
	US$'000	**US$'000 (restated)**
Uranium (Tanzania)	(21)	(23)
Administration and Corporate (UK)	(1,065)	(997)
Total of all segments	(1,086)	(1,020)
Finance expense	(75)	-
Finance income	2	5
Loss before and after tax	(1,159)	(1,015)

The Group's share based payment charge is included within the United Kingdom ('UK') segment result. 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**	
	2011	**2010**	**2011**	**2010**
	US$'000	**US$'000 (restated)**	**US$'000**	**US$'000 (restated)**
Uranium (Tanzania)	7,704	5,023	-	-
Administration and Corporate (UK)	-	-	-	-
Total of all segments	7,704	5,023	-	-

	Total Assets		**Total Liabilities**	
Segment assets and liabilities	**2011**	**2010**	**2011**	**2010**
	US$'000	**US$'000 (restated)**	**US$'000**	**US$'000 (restated)**
Uranium (Tanzania)	8,127	5,050	67	149
Administration and Corporate (UK)	4,125	544	93	50
Total of all segments	12,252	5,594	160	199

3. **Group operating loss**

	2011 US$'000	2010 US$'000 (restated)
The Group's operating loss is stated after charging / (crediting):		
Auditors' remuneration - audit services	28	32
- review of interim results	3	2
- tax services	5	8
Share-based payments charge (note 15)	229	-
Directors' remuneration (excluding share-based payments)	489	475
Foreign exchange loss/ (gain)	2	(103)

4. **Interest**

	2011 US$'000	2010 US$'000 (restated)
Foreign exchange loss	(75)	-
Bank interest received	2	5

5. **Taxation**

	2011 US$'000	2010 US$'000 (restated)
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	(1,159)	(1,015)
Tax at the standard rate of UK corporation tax of 28% (2010: 28%)	(325)	(284)
Effects of:		
Disallowed expenses	64	-
Tax losses carried forward not yet recognised as a deferred tax asset	261	284
Total tax charge	-	-

At the year end date, the Group has unused tax losses of US$3,950,000 (2010: US$ 3,141,000) 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 26% (2010: 27%) is estimated to be US$1,027,000 (2010: US$ 848,000).

6. **Loss per share**

The basic loss per ordinary share is 0.24 cents (2010: 0.28 cents) and has been calculated using the loss for the financial year of US$1,159,000 (2010: loss US$1,015,000) and the weighted average number of ordinary shares in issue of 488,875,257 (2010: 349,888,887).

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. Details of potentially dilutive shares are discussed in note 15.

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 2011 of US$1,208,000 (2010: US$ 1,001,000) has been included in the consolidated statement of comprehensive income.

8. Staff costs (including Directors)

	2011 US$'000	2010 US$'000 (restated)
Wages, salaries and fees	686	560
Social security costs	54	56
Other benefits	3	-
Share-based payments charge (note 15)	229	-
	972	616
Transferred to intangible assets	(279)	-
	693	616

There were a total of 8 (2010: 8) employees during the year.

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

	Fees/ allowances/ salaries US$'000	Other benefits US$'000	Share based payments US$'000	Total 2011 US$'000	Total 2010 US$'000 (restated)
Hugh Warner [1]	68	-	-	68	57
Ross Warner	57	-	-	57	57
James Pratt	57	-	-	57	57
Alex Gostevskikh [3]	268	3	229	500	266
Andrew Lewis	36	-	-	36	38
Viacheslav Medvedev	-	-	-	-	-
Dimitri Pashov [2]	-	-	-	-	-
Total Key Management 2011	486	3	229	718	-
Total Key Management 2010	475	-	-	-	475

[1]Hugh Warner resigned as a director on 14 June 2011
[2]Dimitri Pashov was appointed as a Director on 15 June 2011
[3]During the period 50% of Alex Gostevskikh's Salary was capitalised to intangibles. In 2011 this amounted to $134,000 (2010: $Nil).

9. Property, plant and equipment

	Group US$'000 (restated)
Cost and net book value	
Additions in 2010	16
Currency translation adjustments in 2010	(1)
At 30 June 2010	15
Additions in 2011	2
Depreciation in the year	(2)
Transfers to intangible asset	(15)
At 30 June 2011	**-**

10. Exploration and evaluation assets

Group	**Exploration and evaluation expenditure**
Cost and net book value	**US$'000 (restated)**
At 1 July 2009	2,047
Acquired with subsidiaries	2,752
Currency translation adjustment	(210)
Additions	419
At 1 July 2010	5,008
Additions	2,483
Transfers from property, plant and equipment	15
Currency translation adjustment	198
At 30 June 2011	**7,704**

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 or the determination process has not been completed.

The outcome of ongoing exploration and evaluation, and therefore whether the carrying value of E&E assets will ultimately be recovered, is inherently uncertain. The Directors have assessed the value of the uranium exploration and evaluation expenditure carried as intangible assets, and in their opinion, no further impairment is necessary. This assessment includes a review of the expiry dates of licenses and the likelihood of their renewal.

11. **Investments in subsidiary undertakings**

	Loans to subsidiary undertakings US$'000 (restated)	Shares in subsidiary undertakings US$'000 (restated)	Total US$'000 (restated)
Company			
Cost			
At 1 July 2009	1,525	580	2,105
Loans granted	326	-	326
Foreign exchange on loans	(138)	(252)	(390)
Subsidiaries acquired (note 21)	-	2,761	2,761
At 30 June 2010	1,713	3,089	4,802
Loans granted	3,111	-	3,111
Foreign exchange	(70)	216	146
At 30 June 2011	**4,754**	**3,305**	**8,059**

The loans due from subsidiaries are denominated in US$ and are repayable to the Company in more than one year with no fixed repayment terms.

The Company's subsidiary undertakings as at 30 June 2011 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	Applied for exploration licences	100%
WML Uranium Holdings Limited	Holding company	100%
Indirect		
Western Metals Tanzania Limited	Uranium exploration	100%
Western Metals Exploration Limited	Applied for exploration licences	100%
Western Metals Uranium Limited	Applied for exploration licences	100%

The Directors have assessed the carrying value of the investments in subsidiaries, all of which are incorporated in Tanzania, and in their opinion no impairment provision is considered necessary.

12. **Receivables**

	2011		2010	
	Group US$'000	Company US$'000	Group US$'000 (restated)	Company US$'000 (restated)
Other receivables	411	17	20	18

Included within Group other receivables is an amount of $389,000 (2010: $ Nil) which relates to advances to the Group's drilling contractor. This receivable will be recovered through the provision of drilling services provided by the contractor.

13. Trade and other payables

	2011 Group US$'000	2011 Company US$'000	2010 Group US$'000 (restated)	2010 Company US$'000 (restated)
Trade payables	4	4	156	17
Accruals	156	63	43	33
	160	67	199	50

14. Share capital and share options

	2011 US$'000	2010 US$'000 (restated)
Allotted, called up and fully paid share capital		
581,743,750 (2010 - 406,493,750*)* ordinary shares of 0.1p each	946	668

During the year the Company issued the following Ordinary 0.1 pence fully paid shares:

Date	Issue Price	Number of 0.1p Shares	Nominal Value US$'000 (restated)
1 July 2009	Opening balance	291,000,000	482
4 January 2010	Placing at 1.92p per share for cash	104,000,000	168
12 January 2010	Consideration shares at 2.5p per share	11,493,750	18
30 June 2010	**Closing balance**	**406,493,750**	**668**
23 July 2010	Placing at 2p per share for cash	40,000,000	61
26 November 2010	Placing at 2.55p per share for cash	35,250,000	56
5 April 2011	Placing at 3p per share for cash	100,000,000	161
30 June 2011	**Closing balance**	**581,743,750**	**946**

The consideration shares were issued as part consideration for the acquisition of subsidiaries during the year ended 30 June 2010 (note 21).

15. Share-based payments

	2011 US$'000	2010 US$'000 (restated)
Company and Group		
The Company and Group recognised the following charge in their statement of comprehensive income in respect of share based payment plans:		
IFRS 2 charge	229	-

Options outstanding at 30 June 2011 were:

Date of grant	Number of options	Exercise price	Exercisable between
28 November 2006	15,000,000	2.5p	Up to 28 November 2011
28 November 2006	15,000,000	5.0p	Up to 28 November 2011
15 April 2007	2,500,000	2.5p	Up to 28 November 2011
15 April 2007	2,500,000	5.0p	Up to 28 November 2011
24 July 2008	2,000,000	5.0p	Up to 23 July 2013
24 July 2008	2,000,000	15.0p	Up to 23 July 2013
24 July 2008	2,000,000	35.0p	Up to 23 July 2013
12 July 2010	8,000,000	2.5p	Up to 23 July 2013
12 July 2010	10,000,000	5.0p	Up to 23 July 2013
12 July 2010	10,000,000	10.0p	Up to 23 July 2013
	69,000,000		

The Company's share price ranged between 1.55p to 8.3p (2010: 1.25p and 3.00p) during the year. The closing share price as at 30 June 2011 was 2.09p per share (2010: 1.57p).

On 12 July 2010, the Company cancelled 28,000,000 share options with exercise prices of 5p, 15p and 35p and replaced them with 28,000,000 options with exercise prices of 2.5p, 5p and 10p. The financial impact and resulting charge of the above event totals $229,000 (2010: $Nil).

Grant date	Share price at date of grant	Exercise price	Volatility	Option life	Dividend yield	Risk-free investment rate	Fair value per option
12/07/2010	1.77p	2.50p	83%	23/07/2013	0%	1.37%	0.8p
12/07/2010	1.77p	5.00p	83%	23/07/2013	0%	1.37%	0.5p
12/07/2010	1.77p	10.00p	83%	23/07/2013	0%	1.37%	0.3p

Expected volatility was determined by calculating the historical volatility of the Group's share price for the past three years. The share option charge was calculated using the Black-Scholes model.

16. **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 2011, for any future costs of decommissioning or any environmental damage.

17. **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:

	Floating interest rate 30 June 2011 US$'000	Fixed interest rate 30 June 2011 US$'000	Floating interest rate 30 June 2010 US$'000 (restated)	Fixed interest rate 30 June 2010 US$'000 (restated)
Financial assets:				
Cash at bank	4,137	-	551	-

The effective weighted average interest rate was 0% (2010: 2%).

Liabilities

At 30 June 2011, the Group had no liabilities other than its trade and other payables.

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.

Currency risk

The functional currency for the Group's operating activities is the British Pound and for drilling activities the US Dollar. The Group's objective in managing currency exposures arising from its net investment overseas is to maintain a low level of borrowings. The Group has not hedged against currency depreciation but continues to keep the matter under review. At 30 June 2011, the Group held the following US Dollar equivalent:

	30 June 2011 US$'000	30 June 2010 US$'000 (restated)
Great British Pounds	599	486
United States Dollars	3,518	22
Other	20	43
	4,137	551

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.

18. Events after the year end date

There were no significant events after the year end.

19. Related party transactions

The Company paid $12,000 (2010: $16,000 (AUD$18,000)) to Anglo Pacific Ventures Pty Ltd, a company related to Hugh and Ross Warner, for a serviced office under an informal arrangement. 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.

20. Future exploration expenditure

Other than annual tenement rentals totalling $38,000 per annum, the Group does not have any contractual commitments required to maintain the Group's licences. At 30 June 2011, the Group has outstanding commitments of $38,000 relating to its Tanzanian exploration activities.

21. Acquisition of subsidiary companies in prior year

On 12 January 2010, the Company acquired WML Uranium Holdings Limited and Western Metals Tanzania Limited, subsidiaries of the Indago Group and the holders of the Indago Group's uranium joint venture interests. The consideration was AUD$2,500,000 cash and AUD$400,000 in new ordinary shares in the Company. There was no contingent or deferred consideration. Costs of the acquisition amounted to $114,000 which were charged to admin expenses in the consolidated statement of comprehensive income.

Details of the assets and liabilities acquired are as follows:

	Book values US$'000 (restated)	Fair value adjustment US$'000 (restated)	Fair values US$'000 (restated)
Cash and cash balances	11	-	11
Receivables	5	-	5
Exploration and evaluation asset	2,580	172	2,752
Payables	(7)	-	(7)
Identifiable net assets acquired	2,589	172	2,761
Fair value of:			
Purchase consideration –cash			2,298
Purchase consideration –shares (11,493,750 shares at 2.5p)			463
Total purchase consideration			2,761

The sub group acquired during the current financial year contributed a loss after tax of US$ 12,000 to the Group for the period from acquisition to 30 June 2010. Had the sub group been acquired on 1 July 2010, the loss after tax attributable to the Group would have been US$744,000, of which US$722,000 relates to foreign exchange losses which are not expected to be incurred in future periods. Net cash outflow on acquisition of subsidiaries was as follows:

	US$'000
Purchase consideration settled in cash	2,298
Cash and cash equivalents in subsidiaries acquired	(11)
Cash paid net of cash and cash equivalents in subsidiaries acquired	2,287