Uranium Resources Plc / Market: AIM / Epic: URA / Sector: Exploration

Uranium Resources Plc ('Uranium Resources' or 'the Company')
Half-Year Results

Uranium Resources Plc, the AIM listed uranium exploration and development company operating in Tanzania, announces its results for the six month period ended 31 December 2011.

Highlights

- Discovery of stacked mineralised roll-fronts at depth in multiple drillholes
- Internal studies indicate Mtonya ore amenable to in-situ recovery
- The roll-fronts are interpreted to have up to 10km of strike length
- An ambitious 20,000 m drilling programme is planned for 2012
- Fieldwork confirms Gundua's potential for Rare Earth Elements (REE)
- Company continues building a pipeline of quality exploration projects in Tanzania

Uranium Resources Managing Director, Alex Gostevskikh, said, "During the period under review, Uranium Resources has made remarkable progress. Our exploration model for Mtonya, which was tested by drilling deep holes in 2010, led to the discovery of roll-front uranium mineralisation in 2011. In 2012, we are taking Mtonya to a new stage by launching a transformative 20,000 m drilling programme."

Managing Director's Report

During the period under review we have continued seeing strong progress at Mtonya. In December 2011, the Company completed its 7,936 m diamond drilling programme which confirmed the existence of mineralised roll-fronts at depth. The new data suggests that Mtonya bears many similarities in its geology, lithology, and mineralogy to the well-known roll-front deposits of Kazakhstan and Wyoming.

Lukimwa, approximately 28 km southwest of Mtonya, was subject to a ground gamma-ray spectrometric survey and geochemical sampling. Our interpretation of the results suggests the continuous nature of geological features between our Mtonya and Lukimwa project areas.

A limited field mapping and sampling programme at Gundua (Eland) confirmed our geological model, which interprets the project as a carbonatite system prospective for REE.

At Foxy, we executed a follow-up reconnaissance programme with the objective of evaluating the potential for roll-front uranium mineralisation amenable to in-situ recovery.

Uranium Resources continues assembling and collating data for its considerable land tenure in Tanzania in a concerted effort to build a pipeline of quality exploration projects.

Exploration Update

Mtonya

2011 programme

The Company's exploration model is based on the well-substantiated premise that the neighbouring Nyota project, approximately 60 km to the north of Mtonya, is a small segment of a regional mineralised roll-front feature, most of which has no surface exposure. The Nyota project, which is owned by ARMZ and operated by Uranium One, has an indicated and measured resource of 93 Mlb U3O8.

Uranium Resources interprets Nyota as part of a regional roll-front that was uplifted by a regional normal fault. Consequently, this segment of the roll-front was altered by surface oxidation and eroded, forming narrow, thin, and disconnected lenses of ore that is dominated by secondary uranium minerals such as autunite and uranocircite.

The near-surface uranium mineralisation at Mtonya remains a valid exploration target, but its significance is viewed as inferior in comparison to the deep mineralisation that may yield substantially larger deposits amenable to in-situ recovery.

The 2011 diamond drilling programme targeted both shallow and deep sandstone-hosted mineralisation in the northeastern part of the Mtonya tenement. The drilling tested specific areas selected after a thorough interpretation of the results of the 2010 programme. The holes were set in an irregular pattern about 300 m apart with a limited number of infill holes with 50-150 m between them.

The 38 diamond drillholes drilled at Mtonya to date have defined three redox tiers, each 100-150 m thick and produced a number of uranium mineralised intercepts. These three tiers of oxidation are interpreted to host at least three roll-fronts at depths of 220-280 m from surface.

Our 2012 drilling campaign is designed to generate sufficient data to significantly extend the known mineralisation and ultimately lead to a maiden resource estimate being completed in 2013.

In-situ recovery

The internal studies of lithology and mineralogy carried out on samples of mineralised drill core suggest persuasive similarities with the uranium deposits of Kazakhstan, namely arkosic composition of the sandstone, low content and composition of carbonate minerals (<5%), ore mineralogy (uraninite, coffinite), and similar trace element geochemical signature (Se, Mo, V, Sc).

This affinity with Kazakh roll-front deposits implies the amenability of Mtonya's mineralisation to in-situ recovery, the most economically efficient and environmentally benign method of uranium extraction. Examples of successful in-situ recovery uranium operations include Cameco's 1 Mlbpa Crow Butte mine in Nebraska and the 2 Mlbpa Smith Ranch-Highland mine in Wyoming.

A discovery of sizable roll-front deposits amenable to in-situ recovery will undoubtedly fundamentally alter uranium prospectivity of Tanzania.

2012 drilling programme

The Company has designed the 2012 Mtonya drilling programme to pursue two main objectives:

· defining the uranium roll-front geometries with sufficient drill density;
· aggressively testing lateral extents of the known uranium roll-fronts.

The programme will comprise approximately 20,000 m of drilling and is planned to lead to the development of a maiden resource in 2013.

Lukimwa

Lukimwa's structural settings as well as radiometric and magnetic signatures bear many similarities with Mtonya. Importantly, it is situated at the southwest end of the same structural corridor and is hosted in the favourable Karoo sandstone.

The results of 2011 field reconnaissance and geochemical sampling have been encouraging and the Company is planning to execute a limited scout drilling programme at Lukimwa in 2012.

Gundua (Eland)

Gundua (Eland) was initially identified as a contrast airborne radiometric anomaly of intermediate intensity. The Company carried out a comprehensive data collation and analysis, and developed a geological model for Gundua whereby the project was interpreted to be a REE target hosted by a carbonatite system in Precambrian basement rocks.

The 2011 programme at Gundua consisted of geological mapping and rock/grab sampling followed by mineralogical studies of rock samples. Geological mapping confirmed the presence of a 4 km by 3 km alkaline complex with associated strontium-rich carbonatite dykes bearing bastnaesite, synchysite, and monazite mineralisation.

Surface sampling undertaken during the programme demonstrated elevated REE values throughout the project area and one grab sample reported over 4.28% REE (over 4.22% Light REE and 0.06% Heavy REE).

These results demonstrate that Gundua is a valid exploration target for REE, which warrants a more detailed field study in 2012.

Other regional licenced areas

The Company is establishing itself as a uranium-focused exploration company and we view Mtonya as our priority project. We are also confident that new exploration opportunities will be generated on our other licensed areas.

Financial Results

I am reporting a pre-tax loss for the six months ended 31 December 2011 of US$1,894,000 (6 months ended 31 December 2010 US$877,000; Year ended 30 June 2011: US$1,159,000). The loss for the six month ended includes a share based payment charge of $1,761,000 (6 months ended 31 December 2010 US$229,000; Year ended 30 June 2011: US$229,000).

Outlook

Uranium Resources plc is entering a very exciting period: the Company's Mtonya project has robust potential which is supplemented by a portfolio of assets from which to drive growth and create significant shareholder value. Furthermore, the Company benefits from a strong management team that is rapidly advancing Uranium Resources' assets.

Our previous drilling campaigns led to the discovery of laterally-extensive roll-front uranium mineralisation at Mtonya and have taken Mtonya to a decidedly different level. We expect the next level to be the development of a maiden resource, a significant step towards realising the Company-making potential of Mtonya.

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 very promising future.

Alex Gostevskikh

<u>Competent Persons declaration</u>

The information in this statement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information reviewed by Alex Gostevskikh, Managing Director of Uranium Resources plc, who is a Member of the Mining and Metallurgical Society of America. Mr. Gostevskikh has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and as a qualified person under the AIM Note for Mining, Oil and Gas Companies. Mr. Gostevskikh consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	Notes	Half-year ended 31 Dec 2011 (Unaudited) US$'000s	Half-year ended 31 Dec 2010 (Unaudited) (Restated) US$'000s	Year ended 30 June 2011 (Audited) US$'000s
Share based payment charge		(1,761)		
Other administrative expenses		(389)	(877)	(1,086)
Total administrative expenses and group operating loss		(2,150)	(877)	(1,086)
Interest payable		-	-	(75)
Interest receivable		256	-	2
Loss before taxation		(1,894)	(877)	(1,159)
Taxation		-	-	-
Loss for the period		(1,894)	(877)	(1,159)
Other comprehensive income				
Exchange differences on translating foreign operations		(152)	53	204
Total comprehensive loss attributable to the equity holders of the parent		(2,046)	(824)	(955)
Loss per share (cents)				
Basic and diluted	3	(0.33)	(0.20)	(0.24)

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	31 Dec 2011 (Unaudited) US$'000s	31 Dec 2010 (Unaudited) (Restated) US$'000s	30 June 2011 (Audited) US$'000s
ASSETS				
Non-current assets				
Property, plant & equipment		-	13	-
Exploration & evaluation assets	4	10,594	6,482	7,704
		10,594	6,495	7,704
Current assets				
Other receivables		20	42	411
Cash and cash equivalents		1,350	1,070	4,137
		1,370	1,112	4,548
Total Assets		11,964	7,607	12,252
LIABILITIES				
Current liabilities				
Trade and other payables		(157)	(207)	(160)
Total Liabilities		(157)	(207)	(160)
Net Assets		11,807	7,400	12,092
EQUITY				
Share capital		946	785	946
Share premium		15,743	11,081	15,743
Foreign exchange reserve		(256)	(255)	(104)
Retained losses		(4,626)	(4,211)	(4,493)
Total Equity		11,807	7,400	12,092

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	Share capital	Share premium	Foreign currency translation reserve	Retained losses	Total shareholders equity
	US$'000s	US$'000s	US$'000s	US$'000s	US$'000s
As at 1 July 2010 (restated)	668	8,598	(308)	(3,563)	5,395
Total comprehensive income	-	-	53	(877)	(824)
Transactions with owners:					
Share based payments	-	-	-	229	229
Issued share capital	117	2,538	-	-	2,655
Cost of share issue	-	(55)	-	-	(55)
Total transaction with owners	**117**	**2,483**	**-**	**229**	**2,829**
Balance at 31 December 2010 (restated)	**785**	**11,081**	**(255)**	**(4,211)**	**7,400**
Total comprehensive income	-	-	151	(282)	(131)
Transactions with owners:					
Issue of share capital	161	4,662	-	-	4,823
Total transaction with owners	**161**	**4,662**	**-**	**-**	**4,823**
Balance at 30 June 2011	**946**	**15,743**	**(104)**	**(4,493)**	**12,092**
Total comprehensive income	-	-	(152)	(1,894)	(2,046)
Transactions with owners:					
Share based payments	-	-	-	1,761	1,761
Total transaction with owners	**-**	**-**	**(152)**	**1,761**	**1,761**
Balance at 31 December 2011	**946**	**15,743**	**(256)**	**(4,626)**	**11,807**

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	Half-year ended 31 Dec 2011 (Unaudited)	Half-year ended 31 Dec 2010 (Unaudited) (restated)	Year ended 30 June 2011 (Audited)
	US$'000s	US$'000s	US$'000s
Cash flows from operating activities			
Loss for the period	(1,894)	(877)	(1,159)
Adjustments for non-cash items:			
Interest income	(2)	-	(2)
Share-based payments charge	1,761	229	229
Depreciation	-	2	2
Foreign exchange	-	-	75
Decrease/ (Increase) in receivables	2	(22)	-
(Decrease)/ Increase in payables	(7)	19	(39)
Net cash used in operating activities	(140)	(649)	(894)
Investing activities			
Funds used for exploration and evaluation	(2,890)	(1,382)	(2,872)
Interest received	2	-	2
Net cash used in investing activities	(2,888)	(1,382)	(2,870)
Financing activities			
Proceeds from share application/issue of shares	-	2,655	7,478
Cost of share issues	-	(55)	(55)
Net cash from financing	-	2,600	7,423
(Decrease)/ increase in cash and cash equivalents	(3,028)	569	3,659
Foreign exchange movements on cash	241	(50)	(73)
Cash and cash equivalents at beginning of the period	4,137	551	551
Cash and cash equivalents at the end of the period	1,350	1,070	4,137

NOTES TO THE UNAUDITED HALF-YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

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 2011 comprise the Company and its subsidiaries (together referred to as 'the Group').

The condensed half-year accounts for the period 1 July 2011 to 31 December 2011 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 2010 to 31 December 2010 and the audited financial year to 30 June 2011.

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 2011 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 2012.

Basis of preparation and going concern

The operations of the Group are currently being financed from funds which the Company raised from private and public placings of its shares. The Group has not yet earned revenue as it is still in the exploration phase of its business. The Group is reliant on the continuing support from its existing and future shareholders.

The Group will require further funds to be raised to meet the entirety of its budgeted operating and committed drilling costs for the 2012 drilling programme. The Directors are confident that they will be able to raise the additional funds from current and new shareholders and be able to continue to meet their obligations, as they fall due. The financial statements have, therefore, been prepared on the going concern basis.

Restatement of presentational currency

As reported in the audited financial statements for the year ended 30 June 2011, effective from 1 July 2010, the Group's presentation currency changed from pounds sterling ('£') to the US dollar ('$'). For the purposes of the interim financial statements the comparative financial information for the 6 month period ended 31 December 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 $1.5468:£1, for equity balances at the prevailing historical rate and for the statement of comprehensive income using the average $:£ exchange rate during the year being $1.5653:£1. Resulting exchange differences have been taken to the foreign exchange reserve.

The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest annual audited financial statements, except as described below:

a) Standards, amendments and interpretations effective in 2011:

The following new standards and amendments to standards are mandatory for the first time for the Group for the financial year beginning 1 July 2011. Except as noted, the implementation of these standards did not have a material effect on the Group:

Standard		**Effective date**
IAS 24 (Revised)	Related party disclosures	1 January 2011
Improvements to IFRSs (2010)		1 January 2011
IFRS 7 (Amendments)	Disclosures - transfers of financial assets	1 July 2011

b) Standards, amendments and interpretations effective in 2012 but not relevant for the Group:

Standard		**Effective date**
IFRIC 14 / IAS 19 (Amendment)	Limit on a defined benefit asset, minimum funding requirements and their interaction	1 January 2011

c) Standards, amendments and interpretations that are not yet effective and have not been early adopted:

Standard		Effective date
IFRS 1 (Amendments)	Severe Hyperinflation and removal of fixed dates for first-time adopters	1 July 2011 *
IAS 12 (Amendment)	Deferred tax: recovery of underlying assets	1 January 2012 *
IAS 1 (Amendment)	Presentation of items of other comprehensive income	1 July 2012 *
IFRS 10	Consolidated financial statements	1 January 2013 *
IFRS 11	Joint arrangements	1 January 2013 *
IFRS 12	Disclosure of interest in other entities	1 January 2013 *
IFRS 13	Fair value measurement	1 January 2013 *
IAS 27 (Amendment 2011)	Separate financial statements	1 January 2013 *
IAS 28 (Amendment 2011)	Investments in associates and joint ventures	1 January 2013 *
IAS 19 (Amendment 2011)	Employee benefits	1 January 2013 *
IFRIC 20	Stripping costs in the production phase of a surface mine	1 January 2013 *
IFRS 7 (Amendment 2011)	Disclosures - offsetting financial assets and financial liabilities	1 January 2013 *
IAS 32 (Amendment 2011)	Offsetting financial assets and financial liabilities	1 January 2014 *
IFRS 9	Financial instruments	1 January 2015 *

* Not yet endorsed by the EU. The Group is evaluating the impact of the above pronouncements but they are not expected to have a material impact on the Group's earnings or shareholders' funds.

3 Loss per share

The basic loss per share has been calculated using the loss attributable to equity shareholders for the financial period of US$1,894,000 (six months ended 31 December 2010: US$877,000; year ended 30 June 2011: US$1,159,000) and the weighted average number of ordinary shares in issue of 581,743,750 (31 December 2010: 448,198,913; 30 June 2011: 488,875,257).

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.

4 Exploration and evaluation assets

	Unaudited 31 Dec 2011 US$'000s	**Unaudited 31 Dec 2010 US$'000s**	**Audited 30 June 2011 US$'000s**
Exploration and evaluation			
Cost and net book value			
At beginning of period	7,704	5,008	5,008
Additions	2,890	1,410	2,483
Transfers	-	-	15
Currency translation adjustment	-	64	198
Total cost and net book value	**10,594**	**6,482**	**7,704**

5 Share options

The following equity instruments have been issued by the Company and have not been exercised at 31 December 2011:

Grant Date	Expiry Date	Number of Options	Issued in Year	Lapsed/ Cancelled	Number of Options Outstanding	Exercise Price per Option
28/11/06	28/11/11	15,000,000	-	(15,000,000)	-	2.5p
28/11/06	28/11/11	15,000,000	-	(15,000,000)	-	5.0p
15/07/07	28/11/11	2,500,000	-	(2,500,000)	-	2.5p
15/07/07	28/11/11	2,500,000	-	(2,500,000)	-	5.0p
24/07/08	23/07/13	2,000,000	-	(2,000,000)	-	5.0p
24/07/08	23/07/13	2,000,000	-	(2,000,000)	-	15.0p
24/07/08	23/07/13	2,000,000	-	(2,000,000)	-	35.0p
12/07/10	23/07/13	8,000,000	-	(8,000,000)	-	2.5p
12/07/10	23/07/13	10,000,000	-	(10,000,000)	-	5.0p
12/07/10	23/07/13	10,000,000	-	(10,000,000)	-	10.0p
30/11/11	30/11/16	24,000,000	24,000,000	-	24,000,000	2.5p
30/11/11	30/11/16	26,000,000	26,000,000	-	26,000,000	5.0p
30/11/11	30/11/16	10,000,000	10,000,000	-	10,000,000	10.0p
		69,000,000	-	(69,000,000)	60,000,000	

The outstanding options at 30 June 2011 were as follows:

Grant Date	Expiry Date	Number of Options	Issued in Year	Lapsed/ Cancelled	Number of Options Outstanding	Exercise Price per Option
28/11/06	28/11/11	15,000,000	-	-	15,000,000	2.5p
28/11/06	28/11/11	15,000,000	-	-	15,000,000	5.0p
15/07/07	28/11/11	2,500,000	-	-	2,500,000	2.5p
15/07/07	28/11/11	2,500,000	-	-	2,500,000	5.0p
24/07/08	23/07/13	2,000,000	-	-	2,000,000	5.0p
24/07/08	23/07/13	2,000,000	-	-	2,000,000	15.0p
24/07/08	23/07/13	2,000,000	-	-	2,000,000	35.0p
24/07/08	23/07/13	8,000,000	-	(8,000,000)	-	2.5p
24/07/08	23/07/13	10,000,000	-	(10,000,000)	-	5.0p
24/07/08	23/07/13	10,000,000	-	(10,000,000)	-	10.0p
12/07/10	23/07/13	-	8,000,000	-	8,000,000	2.5p
12/07/10	23/07/13	-	10,000,000	-	10,000,000	5.0p
12/07/10	23/07/13	-	10,000,000	-	10,000,000	10.0p
		69,000,000	28,000,000	(28,000,000)	69,000,000	

The assessed fair value at the grant date has been determined using the Black-Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. Share based payments are recognised over the vesting period of the options. During the period, the Company granted options to Directors and management as tabled below.

The inputs into the Black Scholes model are as follows:

Grant date	Share price at date of grant	Exercise price	Volatility	Option life	Dividend yield	Risk-free investment rate	Fair value per option
30/11/2011	2.27p	2.50p	132%	5 years	0%	1%	1.95p
30/11/2011	2.27p	5.00p	132%	5 years	0%	1%	1.82p
30/11/2011	2.27p	10.00p	132%	5 years	0%	1%	1.67p

Expected volatility was determined by calculating the historical volatility of the Group's share price for the past three years.

The Group recognised US$1,761,000 (30 June 2011: US$229,000; 31 December 2010: US$229,000) related to equity-settled share based payment transactions during the period.