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

31 March 2014

Uranium Resources plc (‘Uranium Resources’ or ‘the Company’)

Half-Year Results

Uranium Resources plc, the AIM listed uranium exploration company operating in Tanzania, announces its results for the six month period ended 31 December 2013.

Highlights

- Continued development of exploration programme targeting expansion of maiden resource at Mtonya
- Mtonya deposit expected to be amenable to in-situ recovery, the most cost-effective and environmentally benign method of uranium extraction
- Company remains optimistic about Mtonya world-class potential
- Other prospective areas in Tanzanian Karoo basins under evaluation

Post Period End Highlights

- Entered into a US$300,000 loan facility agreement with our strategic cornerstone investor Estes Limited
- 2014 exploration programme anticipated to launch in May 2014

Managing Director’s Report

The announcement of Mtonya’s maiden uranium resource in May 2013 signified a major milestone in the development of this potentially world-class asset, which remains open along strike and at depth. However, Uranium Resources continued to operate in a challenging uranium market which adversely affected the rate of exploration progress at Mtonya and its satellite targets. The Board remains enthusiastic about the potential of Mtonya and the strong nuclear fuel market fundamentals; continued growth in Asian power generation; and finite supplies of secondary uranium and existing limits on economically viable uranium resources.

Further to developing a maiden resource at Mtonya, the Company entered into a loan agreement with Estes Limited (‘Estes’), its cornerstone investor and strong supporter of the project which provided the Company with US$1,000,000 of bridge funding, which was fully utilised at the period end. In March 2014 Estes provided an additional loan facility of US$300,000 as we pursue a range of opportunities to progress the expansion drilling campaign at Mtonya.

Additionally, in line with our strategy to build a leading uranium exploration and development company focussed on projects which are amendable to in-situ recovery, we continue to identify and assess new resource opportunities which meet our investment criteria.

Exploration Update

Mtonya

I am pleased to report that the Company continues to work on developing the 2014 exploration programme at Mtonya and its satellite targets.

Following the establishment of Mtonya's maiden resource, we continued to analyse the Mtonya data to ensure the success of the forthcoming drill programme. The previous drilling defined significant laterally-extensive roll-front uranium mineralisation, once again confirming our proprietary exploration model and exploration methodology. Importantly, this roll-front uranium mineralisation is expected to be amenable to in-situ recovery ('ISR'), the most cost-effective and environmentally acceptable method of uranium extraction.

The completion of the 26,485m resource-definition drilling programme in 2012 allowed the Company to delineate a maiden CIM-compliant Inferred Resource of 2.014 Mlb U3O8 grading 255 ppm U3O8. On a 250x50 m grid the resource drilling remains fairly coarse and significant upside potential remains untested along strike of the roll-front feature and at depth. Volumetrically, only 1/6 of prospective lithologies have been systematically drilled at Mtonya.

The forthcoming programme currently envisages focusing on step-out drilling at the Mtonya deposit to maximise the expansion of the resource.

Other projects

The Company continues to be a uranium-focused exploration company and we view Mtonya as our priority project. In addition, the Company is evaluating uranium opportunities in the other Karoo basins of Tanzania, e.g. the Ruhuhu Basin.

Financial report and results

I am reporting a pre-tax loss for the six months ended 31 December 2013 of US$170,000 (6 months ended 31 December 2012: US$467,000; year ended 30 June 2013:

US$1,074,000). The loss for the six month ended includes an impairment charge of US$Nil (6 months ended 31 December 2012: US$87,551; year ended 30 June 2013: $327,000).

The loss for the half year period consists of administrative costs of US$274,000 (31 December 2012: US$ 410,000), a fall principally caused by the overhead reduction policy implemented during the course of 2013. The loss was also affected by a foreign exchange gain of US$107,000 (31 December 2012: US$31,000) resulting from the strengthening of the British Pound against the US$.

Funding and going concern

Estes continues to show its support to the Company in providing loan facilities of up to US$1,300,000 to fund the Company's working capital requirements in the short term.

Further details on the Company's funding and going concern are included in note 2 to these interim financial statements.

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. The Company is looking forward to achieving a substantial increase in the resource and demonstrating its suitability for in-situ recovery.

With the Mtonya outlook, clear strategy, proven potential for the entire basin and well-developed and effective exploration methodology, along with Estes Limited, our highly-supportive cornerstone investor, I believe we have all the foundations in place to deliver growth and create significant shareholder value in the future.

Alex Gostevskikh

Competent Persons declaration

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.

****ENDS****

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UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

	Note	Half-year ended 31 Dec 2013 (Unaudited) US$'000s	Half-year ended 31 Dec 2012 (Unaudited) US$'000s	Year ended 30 June 2013 (Audited) US$'000s
Impairment charge		-	(88)	(327)
Other administrative expenses		(274)	(410)	(687)
Total administrative expenses and group operating loss		(274)	(498)	(1,014)
Interest payable and foreign exchange losses		(3)	-	(61)
Interest receivable and foreign exchange gain		107	31	1
Loss before taxation		(170)	(467)	(1,074)
Taxation	3	-	-	-
Loss for the period		(170)	(467)	(1,074)
Other comprehensive income				
Exchange differences on translating foreign operations		(65)	24	41
Total comprehensive loss attributable to		(235)	(443)	(1,033)

the equity holders of the parent

	Notes			
Loss per share (cents)				
Basic and diluted	4	(0.02)	(0.06)	(0.14)

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Notes	31 Dec 2013 (Unaudited) US$'000s	31 Dec 2012 (Unaudited) US$'000s	30 June 2013 (Audited) US$'000s
ASSETS				
Non-current assets				
Exploration & evaluation assets	5	17,469	17,194	17,217
		17,469	17,194	17,217
Current assets				
Other receivables		2	7	2
Cash and cash equivalents		151	234	96
		153	241	98
Total Assets		17,622	17,435	17,315
LIABILITIES				
Non-current liabilities				
Borrowings	6	-	-	(550)
Current liabilities				
Trade and other payables		(185)	(176)	(96)
Borrowings	6	(1,003)	-	-
Total Liabilities		(1,188)	(176)	(646)
Net Assets		16,434	17,259	16,669
EQUITY				
Share capital		1,206	1,206	1,206
Share premium		21,713	21,713	21,713
Foreign exchange reserve		(359)	(311)	(294)
Retained losses		(6,126)	(5,349)	(5,956)
Total Equity		16,434	17,259	16,669

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

	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 2012	1,206	21,713	(335)	(4,882)	17,702
Total comprehensive income	-	-	24	(467)	(443)
Balance at 31 December 2012	1,206	21,713	(311)	(5,349)	17,259
Total comprehensive income	-	-	17	(607)	(590)
Balance at 30 June 2013	1,206	21,713	(294)	(5,956)	16,669
Total comprehensive income	-	-	(65)	(170)	(235)
Balance at 31 December 2013	1,206	21,713	(359)	(6,126)	16,434

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

	Half-year ended 31 Dec 2013 (Unaudited) US$'000s	Half-year ended 31 Dec 2012 (Unaudited) US$'000s	Year ended 30 June 2013 (Audited) US$'000s
Cash flows from operating activities			
Loss for the period	(170)	(467)	(1,074)
Interest paid/(income)	3	(1)	(1)
Impairment	-	88	327
Foreign exchange (gain)/loss	(107)	(30)	61
Decrease in receivables	1	46	51
Increase /(decrease) in payables	83	23	(24)
Net cash used in operating activities	(190)	(341)	(660)
Investing activities			
Funds used for exploration and evaluation	(210)	(3,744)	(3,969)
Interest received	-	1	1
Net cash used in investing activities	(210)	(3,743)	(3,968)
Financing activities			
Borrowings	450	-	550
Net cash from financing	450	-	550

Increase/(decrease) in cash and cash equivalents	50	(4,084)	(4,078)
Foreign exchange movements on cash	5	30	(114)
Cash and cash equivalents at beginning of the period	96	4,288	4,288
Cash and cash equivalents at the end of the period	151	234	96

NOTES TO THE UNAUDITED HALF-YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

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 2013 comprise the Company and its subsidiaries (together referred to as 'the Group').

The condensed half-year accounts for the period 1 July 2013 to 31 December 2013 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 2012 to 31 December 2012 and the audited financial year to 30 June 2013.

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 2013 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 2014.

Basis of preparation and going concern

In March 2014 the company announced that it had increased its loan facilities with Estes by US$300,000 to a total facility of US$1,300,000. The facilities, which are unsecured and bear interest at LIBOR, are for working capital. At 31 December 2013 the Company had drawn down $1,000,000 against the available facility and had incurred accrued interest of US$3,000.

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 in May 2014, 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 twelve 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 twelve months from the date of this report, including meeting future capital and working capital requirements and also settling the Estes loan facility, which is 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 2013:

The following new standards and amendments to standards are mandatory for the first time for the Group for the financial year beginning 1 July 2013. Except as noted, the implementation of these standards did not have a material effect on the Group:

Standard	Impact on initial application	Effective date
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 19 (Amendment 2012)	Employee benefits	1 January 2013*1
IAS 27 (Amendment 2012)	Separate financial statements	1 January 2013
IAS 28 (Amendment 2012)	Investments in associates and joint ventures	1 January 2013
IFRS 7 (Amendment 2012)	Disclosures – offsetting financial assets and financial liabilities	1 January 2013

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

Standard		Effective date
IAS 32 (Amendment 2012)	Offsetting financial assets and financial liabilities	1 January 2014
IFRS 9	Financial instruments	1 January 2015*1

*1 Not yet endorsed by the EU

The Group is evaluating the impact of the above pronouncements and will consider the potential impact of IFRS 11. No other pronouncement is expected to have a material impact on the Group's earnings or shareholders' funds.

3 Taxation

The Tanzanian Revenue Authority is undertaking a routine audit of the Group's Tanzanian tax compliance. As at 31 December 2013 no provision has been made (31 December 2012 and 30 June 2013 – $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$170,000 (six months ended 31 December 2012: US$467,000; year ended 30 June 2013: US$1,074,000) and the weighted average number of ordinary shares in issue of 745,493,750 (31 December 2012: 745,493,750; 30 June 2013:745,493,750). 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 2013 US$'000s	Unaudited 31 Dec 2012 US$'000s	Audited 30 June 2013 US$'000s
Exploration and evaluation			
Cost and net book value			
At beginning of period	17,217	14,226	14,226
Additions	210	3,056	3,318
Foreign exchange	42	-	-
Impairment	-	(88)	(327)
Total net book value	**17,469**	**17,194**	**17,217**

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. After a strategic review in the year ended 30 June 2013 the board elected to allow a number of unprospective licences to lapse and to revert to the government. 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 2013. The total impairment charge for the current half year period is $Nil (six months ended 31 December 2012: $87,551 and year ended 30 June 2013: $327,323). The remaining carried value relates entirely to the Company's flagship project Mtonya.

6 Borrowings

	Unaudited 31 Dec 2013 US$'000s	Unaudited 31 Dec 2012 US$'000s	Audited 30 June 2013 US$'000s
Brought forward	550	-	-
Borrowings in period	450	-	550
Interest accrued in period	3	-	-
Borrowings carried forward	**1,003**	**-**	**550**

On 25 March 2013 the Company entered into a US$1 million loan facility agreement with its major shareholder and strategic investor Estes Limited. The Loan, which is unsecured, is available for a period of 18 months and bears interest at LIBOR. Note 7 describes the increase in loan facilities made available since the period end.

7 Subsequent events

On 21 March 2014 the Company entered into a further US$300,000 loan facility agreement ('the Loan') with its major shareholder and strategic investor Estes Limited. The Loan, which is unsecured, is available for the period to 1 January 2015 and bears interest at LIBOR, will be used to fund working capital requirements.

8 Related party transactions

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