

16 December 2009

Uranium Resources plc ('Uranium Resources') or ('the Company')

Final Results and Notice of General Meeting

Uranium Resources plc, the AIM listed uranium exploration and development company, announces its results for the year ended 30 June 2009.

Managing Director's Report

This has been a very important year for Uranium Resources and I am pleased to present shareholders with my first report since joining the Company. It gives me great pleasure to be able to outline the progress we have made and reiterate that we remain focussed on creating shareholder value by advancing and broadening our Tanzanian uranium-focussed project portfolio. In line with this, subsequent to the year under review, we entered into an agreement to purchase Indago Resources Ltd's ('IDG') (formerly called Western Metals Ltd) joint venture interests in our uranium portfolio ('the Agreement'), which will bolster the Company's position as a significant Tanzanian uranium player and signed an option agreement with Rio Tinto Mining and Exploration Limited ('Rio Tinto') to develop the coal potential of these licences.

Additionally we strengthened the management team via the appointment of a new senior technical consultant Dr. Mikhail Shumilin, and have been aggressively identifying and reviewing new opportunities both in Africa and other jurisdictions, taking advantage of our team's collective experience and expertise in mineral exploration, mining, and corporate development. These developments will bolster our strong foundation for measurable successes in the near future.

As shareholders will know, Uranium Resources has built a land position of some 12,700 sq km within the highly prospective Selous, Luwegu and Ruhuhu basins of southern Tanzania where our primary projects are located, namely Mtonya, Ruhuhu and Ruvuma. We believe that we are operating in an emerging uranium province that has already yielded quality projects for both Mantra Resources Ltd and Paladin Energy Ltd.

The Company's Tanzanian projects to date have been explored in tandem with IDG. IDG currently has a 60% interest in seven tenements at the Mtonya Project and three tenements at the Ruhuhu Project which were earned as a result of completing the target AUD\$4 million exploration expenditure on the ground as at 2 July 2008. As a result Uranium Resources has been responsible for funding its part of the joint venture exploration budget, which led to a significant increase in expenditure during the reporting period.

On 30 October 2009, we entered into a conditional share sale and purchase agreement to buy IDG's joint venture interests in the Company's Tanzanian uranium portfolio, for a consideration of AUD\$2.5 million cash and AUD\$400,000 worth of new ordinary shares in the Company ('Consideration Shares'). The Agreement is conditional on the Company raising at least £1.6 million by 28 December 2009 with the Consideration Shares being issued at the same price at which new equity is raised. The Board is continuing to seek additional funds to enable the Company to close the transaction as well as provide additional funding for the exploration programme. We look forward to updating the market on developments in due course.

Exploration

The Company's primary 1,200 sq km project, Mtonya, is located 100 km east of the district capital of Songea. Comprising seven licences, its geology consists of Usagaran orogenic basement rocks in the west and sediments of the Luwegu Sub-basin of the Selous Basin in the east. Roll-front style uraniferous mineralisation hosted by the Karoo sandstone units is thought to be analogous to that of Mantra's Nyota Deposit, which contains an inferred resource of 35.9 million pounds U₃O₈. Overall, Tanzania has some 53.9 million pounds of uranium oxide in resources. The Mtonya project is believed to have the potential to host a sizeable uranium resource and is currently the main target of the Company's exploration efforts.

As reported in our half-year accounts on 27 March 2009, the 2008 exploration campaign was successfully completed on 15 September 2008 with 171 reverse circulation ('RC') holes drilled totalling 10,670 m. The results indicated multiple areas of uranium mineralisation. This programme, in particular, expanded the area of uranium mineralisation around the Henri Prospect and continued to test targets along the Mtonya Corridor, including the Grandfather Prospect. As the need for a clearer understanding of Mtonya's setting within the regional geological framework was recognised, IDG launched remote sensing and structural studies in conjunction with a detailed field mapping programme with the purpose of generating new drilling targets at Mtonya.

These studies were successfully completed mid 2009 and synthesis of the new and previously available data is well underway with the objective of further expanding the known near-surface uranium mineralisation and generating new, previously unknown targets in the area. A new drilling programme is now being developed with the use of new compilations of regional and local geology and geophysics. We are excited about these targets and look forward to generating new results from this exploration programme which, subject to raising additional funds, the Company presently proposes to commence during Q2 2010, after the wet season.

The 9,589 sq km Ruvuma project is located in southern Tanzania. The geology of Ruvuma consists of Karoo sediments and large outcrops of Precambrian basement rocks. This region is

prospective for both roll-front and metamorphic-hosted uranium deposits and includes the Company's Eland prospect which could potentially be similar to Australia's prospective Crocker's Well or Canadian Grenville Province. In the north, this group of licences contains the Foxy prospect, a sandstone-hosted roll-front uranium occurrence. In 2008-2009, IDG and the Company undertook ground-checking of airborne radiometric anomalies and reconnaissance targets as well as trenching and drilling at both Foxy and Eland. A total of 19 RC holes to 1,382 m were completed at Foxy to drill-test a surface anomaly producing rather narrow and low-grade intercepts at shallow depths. At Eland, the completion of ground reconnaissance identified extensive surface anomalies associated with the contact between a syenite intrusion and a melange of syenitic rock and felsic gneiss. As the Mtonya project remains a priority, both Foxy and Eland require further data analysis to generate new drill targets.

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 known sediment-hosted uranium occurrences in the Ruhuhu licence, such as the Pedro, Carlos and Bindi prospects, had been identified in the 1980s as airborne radiometric anomalies or field reconnaissance targets. While some ground-check work has been undertaken at Ruhuhu during the reporting period, further work is required to generate targets of merit by synthesising regional and local geology, remote sensing and structural data along with the available airborne radiometrics.

We believe that all of our Tanzanian uranium projects merit further work and are crucial components in establishing the Company's project pipeline in the country.

Rio Tinto Option Agreement

In January 2009, we entered into an option agreement with Rio Tinto, whereby Rio Tinto has the right to exclusively explore for coal at and farm into 2,938 km² of our exploration licence areas in southern Tanzania. This relates to all coal contained within the Mtonya and Ruhuhu farm-in licence areas and is in addition to our uranium joint venture agreement, which is currently under review, with IDG.

The agreement provides Rio Tinto with the sole right to explore the Company's licences for coal for a 12 month period from the date on which the agreement becomes unconditional. During this period Rio Tinto may elect to farm in, which would permit them to earn a 51% interest in the coal discovered within the licence areas, and the relevant exploration data by sole funding US\$7 million in exploration expenditure within four years of electing to farm in. In addition, Rio Tinto may earn a further 29% interest by sole funding and completing a pre-feasibility study. Rio Tinto may withdraw from the agreement at any time within the twelve-month timeframe after

spending US\$200,000. If, having earned its initial 51% interest, Rio Tinto withdraws prior to earning the additional 29% interest, it must sell its 51% interest.

We are pleased with the way our joint venture with Rio Tinto is progressing. Our partner is focussing primarily on the Ruhuhu Basin, which preserves the most economically important coal deposits in Tanzania in several disconnected coalfields (e.g. Mchuchuma, Ketewaka, Mbuyura). The Ruhuhu Basin is the only area which exposes a complete Karoo sequence of Permo-Carboniferous to Early Triassic age, where Lower Permian sediments host workable coal seams and the Upper Permian sediments contain coals of marginal to non-economic value. In the reporting period, Rio Tinto undertook comprehensive coal-centred data compilation, including regional and local geology, remote sensing, structural data and airborne geophysics. This compilation was followed by ground-proof work and detailed field mapping which generally confirmed the data compilation results and helped generate new drill targets.

I believe this joint venture agreement further underpins the value of our exploration assets. We have not only established a relationship with a major, but also have exposure to the upside potential of any economic coal deposits discovered in this highly prospective region, while not committing to the associated high levels of capital expenditure. Importantly, the deal complements our uranium exploration in the region.

Licence Agreements

The Company's current interests and the interests that will be owned by the Company following completion of the Agreement with IDG described above are as follows:

Ownership Uranium & Related Minerals						
	Uranium Resources		IDG		Local partner	Rio Tinto
	Current interest	Interest following completion of the Agreement*	Current interest	Interest following completion of the Agreement*		
Farm-in Areas (subject to Rio Tinto agreement)	40%	100%	60%	0%	0%	0%
JV Areas Kapinga (Ruvuma and Bindi)	42.5%	85%	42.5%	0%	15%	0%
JV Areas Makweba (Ngaka)	45%	90%	45%	0%	10%	0%

Ownership Coal Rights						
	Uranium Resources		IDG		Local partner	Rio Tinto
	Current interest	Interest following completion of the Agreement*	Current interest	Interest following completion of the Agreement*		
Farm-in Areas (subject to Rio Tinto agreement)	100%	100%	0%	0%	0%	0%
JV Areas Kapinga (Ruvuma and Bindi)	85%	85%	0%	0%	15%	0%
JV Areas Makweba (Ngaka)	90%	90%	0%	0%	10%	0%

* The completion of the Agreement is subject to the Company raising at least £1.6 million by 28 December 2009.

The agreement with Rio Tinto relates only to the licences that were the subject of the farm in agreement with IDG dated on or about 3 April 2006 together with all successive renewals and substitute licences. The agreement with Rio Tinto does not apply to the Ruvuma, Bindi and Ngaka JV Areas which Uranium Resources continues to develop in accordance with its arrangements with IDG until the share sale and purchase agreement is completed.

Management Team

In line with the Company's growth strategy, I was appointed Managing Director, and Mr. Andrew Lewis a new Non-Executive Director. Most recently I was Regional Exploration Manager for Centerra Gold Inc, while Andrew Lewis was President of Kumtor Operating Company in the Kyrgyz Republic, a subsidiary of Centerra Gold Inc, which operated the Kumtor mine and ranks in the world's top 15 gold producers.

Additionally, we are delighted to welcome Dr. Mikhail V. Shumilin as the senior technical consultant to the Company. Dr. Shumilin is a geologist with 50 years experience in uranium exploration and development. His expertise includes evaluation of uranium, gold, diamond, precious and base metals deposits and he has authored a number of books on evaluation of resources and reserves. Currently he is advising the Russian government's uranium agencies and is a member of the expert board of the Russian State Reserve Committee. In the 1970-80s, Dr. Shumilin worked as Chief Geologist of the USSR Uranium Survey where he participated in technical and economic assessments of major uranium deposits in the Soviet Union and the

Soviet Block. With this in mind, we are confident that the depth and breadth of Dr. Shumilin's expertise will become instrumental in the Company's strategy of developing and advancing uranium targets in Tanzania and elsewhere.

Financial Results

With Uranium Resources being at the exploration stage, we are not producing revenue and as such I am reporting a pre-tax loss of £1,370,624 (including a non-cash item of £720,000 in respect of share based payments) for the 12 months ended 30 June 2009 (2008: loss £60,656).

During the year, the Company granted 34 million share options to its two new Directors as an incentive. These share options were granted at exercise prices between 5p and 35p. As the Company's share price ranged between 0.62p and 2.80p during the period, the share options were granted at exercise prices which were substantially greater than the market value of the shares. The share options were therefore 'out of the money' and there was no intrinsic value in the options during the period. The Company is required by IFRS 2 'Share Based Payments' to calculate the fair value of the options at the date of grant. The fair value of the options represents an estimate of the benefit to be gained by the Group from the services to be provided by the Directors for which the share options granted forms part of their compensation expense. The Company recognises the fair value amount as an expense in the income statement with a corresponding increase in equity. The fair value of the options granted to Directors calculated in accordance with IFRS 2 was £720,000 (2008: £Nil). Further information on the assumptions used to calculate the fair value of the options is set out in note 14 to the financial statements.

As noted above, the Company is currently seeking additional funds to enable the Company to close the transaction with IDG as well as provide additional funding for working capital. If the Company is unsuccessful in raising additional funds to close the transaction, your Board believes that the Group will have sufficient cash and other resources to fund its activities and to continue its operations for the foreseeable future and for the Group to continue to meet its liabilities as they fall due, and for at least the next twelve months.

Outlook

These are exciting times for Uranium Resources as the market for uranium plays remains buoyant. The Company has a solid portfolio from which to drive growth once we have secured appropriate finance and a strong management team focussed on generating additional projects which will significantly add to the current value of the business. 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

15 December 2009

Report and Accounts and General Meeting

The Company will be holding a General Meeting ('GM') at the offices of Sprecher Grier Halberstam LLP, 5th Floor, One America Square, Crosswall, London EC3N 2SG on 28 January 2010 at 11am to accept the Company's Annual accounts. The Notice of GM will be posted to shareholders with the annual report and financial statements on 23 December 2009.

AUDITED CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

		2009	2008
		£	£
	Notes		
Administrative expenses		(618,544)	(396,335)
Share-based payments charge	14	(720,000)	-
Impairment charge	9	(32,778)	-
Foreign exchange (loss) / gain		(48,054)	223,381
		<hr/>	<hr/>
Total administrative expenses		(1,419,376)	(172,954)
		<hr/>	<hr/>
Group operating loss	3	(1,419,376)	(172,954)
Interest receivable	4	48,752	112,298
		<hr/>	<hr/>
Loss before taxation		(1,370,624)	(60,656)
Taxation	5	-	-
		<hr/>	<hr/>
Loss for the year		(1,370,624)	(60,656)
		<hr/> <hr/>	<hr/> <hr/>
Attributable to:			
Equity holders of the Company		(1,370,624)	(60,656)
		<hr/> <hr/>	<hr/> <hr/>
Loss per share (pence)	6		
Basic		(0.47p)	(0.02p)
Diluted		(0.47p)	(0.02p)
		<hr/> <hr/>	<hr/> <hr/>

The results shown above related entirely to continuing operations.

**AUDITED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2009**

	Notes	2009 £	2008 £
ASSETS			
Non-current assets			
Exploration and evaluation assets	9	1,235,866	708,253
Current assets			
Receivables	11	25,505	3,366
Cash and cash equivalents		699,269	1,810,971
		724,774	1,814,337
Total Assets		1,960,640	2,522,590
LIABILITIES			
Current liabilities			
Trade and other payables	12	(113,047)	(24,373)
Total Liabilities		(113,047)	(24,373)
Net Assets		1,847,593	2,498,217
EQUITY			
Capital and reserves attributable to equity holders			
Share capital	13	291,000	291,000
Share premium		3,094,360	3,094,360
Share-based payments reserve		1,869,879	1,149,879
Retained losses		(3,407,646)	(2,037,022)
Total Equity		1,847,593	2,498,217

**AUDITED COMPANY BALANCE SHEET
AS AT 30 JUNE 2009**

	Notes	2009 £	2008 £
ASSETS			
Non-current assets			
Investments in subsidiaries	10	1,270,626	710,234
Current assets			
Receivables	11	25,505	3,366
Cash and cash equivalents		699,269	1,810,971
		724,774	1,814,337

Total Assets		1,995,400	2,524,571
LIABILITIES			
Current liabilities			
Trade and other payables	12	(113,047)	(24,373)
Total Liabilities		(113,047)	(24,373)
Net Assets		1,882,353	2,500,198
EQUITY			
Capital and reserves attributable to equity holders			
Share capital	13	291,000	291,000
Share premium		3,094,360	3,094,360
Share-based payments reserve		1,869,879	1,149,879
Retained losses		(3,372,886)	(2,035,041)
Total Equity		1,882,353	2,500,198

**AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009**

	Share capital	Share premium	Share based payments reserve	Retained losses	Total Equity
	£	£	£	£	£
Year ended 30 June 2008					
At 1 July 2007	291,000	3,094,360	1,149,879	(1,976,366)	2,558,873
Loss for the year	-	-	-	(60,656)	(60,656)
At 30 June 2008	291,000	3,094,360	1,149,879	(2,037,022)	2,498,217
Year ended 30 June 2009					
At 1 July 2008	291,000	3,094,360	1,149,879	(2,037,022)	2,498,217
Share-based payments cost	-	-	720,000	-	720,000
Loss for the year	-	-	-	(1,370,624)	(1,370,624)
At 30 June 2009	291,000	3,094,360	1,869,879	(3,407,646)	1,847,593

**AUDITED COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009**

Share capital	Share premium	Share based payments reserve	Retained losses	Total Equity
£	£	£	£	£

Year ended 30 June 2008

At 1 July 2007	291,000	3,094,360	1,149,879	(1,974,385)	2,560,854
Loss for the year	-	-	-	(60,656)	(60,656)
At 30 June 2008	291,000	3,094,360	1,149,879	(2,035,041)	2,500,198

Year ended 30 June 2009

At 1 July 2008	291,000	3,094,360	1,149,879	(2,035,041)	2,500,198
Share-based payments cost	-	-	720,000	-	720,000
Loss for the year	-	-	-	(1,337,845)	(1,337,845)
At 30 June 2009	291,000	3,094,360	1,869,879	(3,372,886)	1,882,353

**AUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	£	£
Cash flows from operating activities		
Group operating loss for the year	(1,419,376)	(172,954)
Share based payments charge	720,000	-
Impairment charge	32,778	-
Increase in receivables	(22,139)	-
Increase / (decrease) in payables	43,618	(1,158)
Net cash used in operating activities	<u>(645,119)</u>	<u>(174,112)</u>
Investing activities		
Funds used for exploration and evaluation	(515,335)	(198,582)
Interest received	48,752	112,298
Net cash used in investing activities	<u>(466,583)</u>	<u>(86,284)</u>
Decrease in cash and cash equivalents	(1,111,702)	(260,396)
Cash and cash equivalents at beginning of the year	1,810,971	2,071,367
Cash and cash equivalents at the end of the year	<u>699,269</u>	<u>1,810,971</u>

**AUDITED COMPANY CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	£	£
Cash flows from operating activities		
Company operating loss for the year	(1,386,597)	(172,954)
Share based payments charge	720,000	-
Increase in receivables	(22,139)	-
Increase / (decrease) in payables	88,674	(1,158)
Net cash used in operating activities	<u>(600,062)</u>	<u>(174,112)</u>

Investing activities

Loans granted to subsidiaries	(560,392)	(198,582)
Interest received	48,752	112,298
Net cash used in investing activities	(511,640)	(86,284)
Decrease in cash and cash equivalents	(1,111,702)	(260,396)
Cash and cash equivalents at beginning of the year	1,810,971	2,071,367
Cash and cash equivalents at the end of the year	699,269	1,810,971

**NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009****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.

1.1 Adoption of International Financial Reporting Standards

The Company's and Group's financial statements for the year ended 30 June 2009 and for the comparative year ended 30 June 2008 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.

1.2 Basis of preparation

The Group financial statements are prepared on the going concern basis, under the historical cost convention 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 UK Pounds Sterling.

1.3 Going concern

During the year ended 30 June 2009 the Group made a loss of £1,370,624 (2008 - £60,656). Included in this loss is a share based payments charge of £720,000 (2008: £Nil). At the balance sheet date the Group had net assets of £1,847,593 (2008 - £2,498,217) and cash balances of £699,269 (2008: £1,810,971).

On 30 October 2009 the Group entered into a conditional share sale and purchase agreement to buy IDG's joint venture interests in the Company's Tanzanian uranium portfolio for AUD \$2,500,000 cash plus AUD \$400,000 in share consideration. This is conditional upon the Company raising at least £1,600,000 by 28 December 2009. An AUD\$250,000 deposit has been paid to IDG and will be forfeited if the Group does not complete the transaction within the terms of the agreement. At the date of this report, the Group has not raised this equity.

Due to the proposed sale of the joint venture assets by IDG to the Company, an exploration programme has not been agreed by the joint venture partners. The Company expects that the costs to fund its share of joint venture costs will be minimal for the next 12 months while IDG are its primary joint venture partner.

The operations of the Group are currently being financed from funds which the Company raised from private and public placings of its shares in the prior years. 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 Board are continuing to pursue further finance to allow them to complete the share sale and purchase agreement and provide additional working capital. If the Company is unsuccessful in raising additional funds to close the sale and purchase agreement, the Board believes that the Group will have sufficient cash and other resources to fund its activities and to continue its operations for the foreseeable future and for the Group to continue to meet its liabilities as they fall due, and for at least the next twelve months from the date of approval of these financial statements. The financial statements have, therefore, been prepared on the going concern basis.

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 not applied**

At the date of approval of these financial statements, the following Standards and Interpretations which may be applicable to the Group, but have not been applied in these financial statements, were in issue but not yet effective:

<i>International Financial Reporting Standards (IFRS/IAS)</i>		<i>Effective date - financial periods beginning on or after</i>
IAS 39	Financial Instruments: Recognition and measurement (Amendment)	1 July 2009
IFRS 3	Business Combinations (Revised)	1 July 2009
IAS 27	Consolidated and Separate Financial Statements (Revised)	1 July 2009
IAS 1	Presentation of Financial Statements (Amendment)	1 January 2009
IAS 23	Borrowing costs (Amendment)	1 January 2009
IFRS 8	Operating segments	1 January 2009
IFRS 2	Share based payments (Amendment)	1 January 2009

The Group does not anticipate that the adoption of these standards will have a material effect on its financial statements in the period of initial adoption, except for additional disclosures on operating segments when IFRS 8 comes into force for the financial year ended 30 June 2010. There will be no effect on reported income or net assets and changes to the presentation of the financial statements when IAS 1 (Amendments) comes into force.

1.6 **Exploration and evaluation expenditure**

All licence acquisitions and exploration and evaluation costs incurred or acquired on the acquisition of subsidiary undertaking are accumulated in respect of each identifiable project area. These costs, which are classified as intangible assets are only carried forward to the extent that they are expected to be recouped through the successful development of the areas or where activities in the areas have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves (successful efforts). Pre-licence costs are written off immediately. Other costs are also written off unless commercial reserves have been established or the determination process has not been completed. Accumulated costs in relation to an abandoned area are written off in full against results in the year in which the decision to abandon the area is made.

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 income statement.

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 Investments

Investments in subsidiary companies are stated at cost less provision for impairment in the Company’s balance sheet.

1.12 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.

1.13 **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 Group's and Parent Company's functional and presentational currency.

(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 income statement.

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 balance sheet date. All differences are taken to the income statement.

1.14 **Turnover**

The Group has not yet commenced commercial production from its exploration sites and therefore had no turnover in the year.

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 balance sheet 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 balance sheet. For the purposes of the cash flow statement, cash and cash equivalents also include 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 income statement.

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

Determining whether intangible assets are impaired requires an estimation of whether there are any indications that its carrying value is not recoverable.

2. Segmental reporting

For the purposes of segmental information, the operations of the Group currently comprise one class of business, being the exploration for uranium. The Group's exploration activities are entirely in one geographical area, Africa.

The Company acts as a holding company. The Group's operating loss arose from its head office activities in the UK. In addition, the Group's exploration and evaluation assets and operations are based in Africa whereas all the other assets are based in United Kingdom.

3. Group operating loss

	2009	2008
	£	£
The Group's operating loss is stated after charging / (crediting):		
Auditors' remuneration - audit services	20,000	25,000
- review of interim results	5,000	5,000
Share-based payments charge (note 14)	720,000	-
Directors' remuneration (excluding share-based payments)	283,228	108,000
Impairment of exploration and evaluation assets	32,778	-
Foreign exchange loss / (gain)	48,054	(223,481)
	<hr/>	<hr/>

4. Interest receivable

	2009	2008
	£	£
Bank interest	48,752	112,298
	<hr/>	<hr/>

5. Taxation

	2009	2008
	£	£
Current Tax		
UK corporation tax	-	-
Overseas tax	-	-
Deferred tax	-	-
Total current tax charge	<u>-</u>	<u>-</u>

The tax charge can be reconciled to the loss for the year as follows:

Loss for the year	(1,370,624)	(60,656)
Tax at the standard rate of UK corporation tax of 28% (2008: 30%)	(383,775)	(18,197)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	212,221	1,694
Tax losses carried forward not yet recognised as a deferred tax asset	171,554	16,503
Total current tax charge	<u>-</u>	<u>-</u>

At the balance sheet date, the Group has unused tax losses of £1,446,000 (2008: £830,000) 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 contingent deferred tax asset is estimated to be £405,000 (2008: £232,000).

6. Loss per share

The basic loss per ordinary share is 0.47p (2008: 0.02p) and has been calculated using the loss for the financial year of £1,370,624 (2008: loss £60,656) and the weighted average number of ordinary shares in issue of 291,000,000 (2008: 291,000,000).

The diluted loss per share has been calculated using a weighted average number of shares in issue and to be issued of 357,857,534 (2008: 302,415,094). The diluted loss per share has been kept the same as the basic loss per share as the conversion of share options decreases the basic loss per share, thus being anti-dilutive.

7. Holding company profit and loss account

In accordance with the provisions of the Section 408 of the Companies Act 2006, the Parent Company has not presented an income statement. A loss for the year ended 30 June 2009 of £1,337,845 (2008: £60,656) has been included in the consolidated income statement.

8. Directors' emoluments

The Directors' emoluments in respect of the Group are as follows:

	2009	2008
	£	£
Wages, salaries and fees	283,228	108,000
Social security costs	23,990	11,757
Share-based payments charge (note 14)	720,000	-
	<u>1,027,218</u>	<u>119,757</u>

There were no employees during the year, apart from the Directors.

Further details of the Directors' emoluments and their interests in shares and share options are shown in the Directors' Report.

9. Exploration and evaluation assets

Group	Exploration and evaluation expenditure £
Cost	
At 1 July 2007	509,671
Additions for 2008	<u>198,582</u>
At 1 July 2008	708,253
Additions for 2009	<u>560,391</u>
At 30 June 2009	<u>1,268,644</u>
Impairment	
At 1 July 2007	-
Charge for 2008	<u>-</u>
At 1 July 2008	-
Charge for 2009	<u>32,778</u>
At 30 June 2009	<u>32,778</u>
Net book value	
At 30 June 2009	<u><u>1,235,866</u></u>
At 30 June 2008	<u><u>708,253</u></u>

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 income statement 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. In their opinion the value attributed to the Peramiho licence is to be fully impaired as the Group has not renewed its interest in this licence. The costs that were capitalised to this licence included helicopter surveys, access costs and land-owner payments. This impairment of £32,778 has been written off in the income statement for the year ended 30 June 2009.

10. Investments in subsidiary undertakings

Loans to subsidiary undertakings	Shares in subsidiary undertakings	Total
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Company	£	£	£
Cost			
At 1 July 2008	360,233	350,001	710,234
Additions	560,392	-	560,392
At 30 June 2009	<u>920,625</u>	<u>350,001</u>	<u>1,270,626</u>

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

The Company's subsidiary undertakings as at 30 June 2009 were as follows:

Subsidiary undertaking	Principal activity	Percentage of ordinary share capital held
Deep Yellow Tanzania Limited	Uranium exploration	100%
URA (St Henri) Limited	Applied for exploration licences	100%

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

11. Receivables

	2009		2008	
	Group	Company	Group	Company
	£	£	£	£
Other receivables	25,505	25,505	3,366	3,366

12. Trade and other payables

	2009		2008	
	Group	Company	Group	Company
	£	£	£	£
Trade payables	70,597	70,597	5,363	5,363
Accruals	42,450	42,450	19,010	19,010
	<u>113,047</u>	<u>113,047</u>	<u>24,373</u>	<u>24,373</u>

13. Share capital and share options

	2009	2008
	£	£
Authorised share capital		
10,000,000,000 ordinary shares of 0.1p each	<u>10,000,000</u>	<u>10,000,000</u>
Allotted, called up and fully paid share capital		
291,000,000 (2008 - 291,000,000) ordinary shares of 0.1p each	<u>291,000</u>	<u>291,000</u>

No shares were issued during the year ended 30 June 2009.

The details of share options outstanding at 30 June 2009 are as follows:

Number of share options

At 1 July 2008	35,000,000
Granted during the year to newly appointed Directors	34,000,000
Cancelled, expired and exercised during the year	-
At 30 June 2009	<u>69,000,000</u>

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	10,000,000	5.0p	Up to 23 July 2013
24 July 2008	12,000,000	15.0p	Up to 23 July 2013
24 July 2008	<u>12,000,000</u>	35.0p	Up to 23 July 2013
	<u>69,000,000</u>		

The Company's share price ranged between 0.62p and 2.80p during the year. The closing share price as at 30 June 2009 was 1.82p per share.

14. Share-based payments

	2009	2008
	£	£
Company and Group		

The Company and Group recognised the following charge in their income statements in respect of share based payment plans:

IFRS 2 charge	<u>720,000</u>	-
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During the year the Company granted 34 million share options to its two new Directors. These share options were granted at exercise prices between 5p and 35p. As the Company's share price ranged between 0.62p and 2.80p during the period, the share options were granted at exercise prices which were substantially greater than the market value of the shares. The share options were therefore "out of the money" and there was no intrinsic value in the options during the period. The Company is required by IFRS 2 'Share Based Payments' to calculate the fair value of the options at the date of grant. The fair value of the options represents the benefit to be gained by the Group from the services provided by the Directors for which the share options granted forms part of their compensation expense. The Company recognises the fair value amount as an expense in the income statement with a corresponding increase in equity. The fair value of the options granted to Directors during the year ended 30 June 2009 was £720,000. The assessed fair value at the grant date was 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. The volatility measured at the standard deviation of expected share price return is based on statistical analysis of the share price over the period, calculated at 140%. The risk free rate was 4.93% at the option grant date. The estimated fair values and other details which were processed into the model are as follows:

Name	Date granted	Number	Exercise price	Expiry date	Fair value grant date per option	Fair value grant date Total
A Gostevskikh	24/7/2008	8,000,000	5.0p	23/7/2013	2.37p	£189,000
		10,000,000	15.0p		2.13p	£213,000
		10,000,000	35.0p		1.90p	£190,000

A Lewis	24/7/2008	2,000,000	5.0p	23/7/2013	2.37p	£48,000
		2,000,000	15.0p		2.13p	£42,000
		2,000,000	35.0p		1.90p	£38,000
Total		34,000,000				£720,000

15. Decommissioning expenditure

The Directors have considered the need for any necessary provision for the cost of rectifying any environmental damage, as might be required under local legislation and the Group's licence obligations. In their view, no provision is necessary at 30 June 2009, for any future costs of decommissioning or any environmental damage.

16. Financial instruments

Interest rate risk

At 30 June 2009 the Group had Australian Dollar cash deposits of a Sterling equivalent of £685,485 (2008: £1,660,887). 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 2009	Fixed interest rate 30 June 2009	Floating interest rate 30 June 2008	Fixed interest rate 30 June 2008
<i>Financial assets:</i>				
Cash at bank	72,269	627,000	151,371	1,659,600

The effective weighted average interest rate was 2% (2008: 3%).

Financial liabilities

At 30 June 2009, the Group had no debt.

Net fair value

The net fair value of financial assets and financial liabilities approximates to their carrying amount as disclosed in the balance sheet 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.

Financial risk management

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

Capital risk management

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

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

17. Events after the balance sheet date

On 30 October 2009, the Company announced it had entered into a conditional share sale and purchase agreement ('Agreement') to purchase the joint venture interests of Indago Resources Limited ('Indago') and certain of its group companies (together 'the Indago Group') in the Tanzanian uranium joint ventures between the Indago Group and the Company.

Under the terms of the Agreement, the Company will acquire the share capitals of 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 is AUD \$2.5 million cash and AUD \$400,000 worth of new ordinary shares in the Company ('Consideration Shares'). The Agreement is conditional on Uranium Resources raising at least £1.6 million by 28 December 2009 and the Consideration Shares will be issued at the same price at which new equity is raised.

The joint venture interests being acquired include interests in the Company's existing uranium licences at Mtonya, Ruhuhu and Ruvuma covering 12,700 sq. km in the highly prospective Karoo basin in southern Tanzania. This transaction, once completed, will give Uranium Resources significant majority ownership and operational control of all its uranium exploration interests. This will allow the Company to better direct and progress exploration efforts going forward.

18. Control

The Company is under the control of its shareholders and not any one party.

19. Related party transactions and compensation of key management personnel

Key management of the Group are considered to be the Directors of the Company. There are no transactions with the Directors other than their remuneration and interests in shares and share options. The remuneration of Directors is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. Further information about the remuneration of individual Directors is shown in the Directors' Report.

	2009	2008
	£	£
Short-term employee benefits	307,218	119,757
Share-based payments	720,000	-
	<u>1,027,218</u>	<u>119,757</u>

20. Future exploration expenditure

The Group does not have any contractual commitments required to maintain the Group's licences. Due to the Group entering into an agreement to acquire Indago Group's joint venture interests (see note 17), a joint venture budget and exploration programme had not yet been agreed by the joint venture parties.

****ENDS****

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The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information assessed by James Pratt who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Pratt 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'. Mr Pratt consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.