

**Uranium Resources plc (“Uranium Resources” or “the Company”)  
Interim Results**

Uranium Resources plc, the AIM quoted uranium exploration and development company operating in Southern Africa, announces its results for the six month period ended 31 December 2007.

**Overview**

- Subsurface high grade uranium has now been identified over a strike length of 4km in drilling at the Mtonya Project
- Ruvuma Project - first pass regional reconnaissance has yielded high grade grab samples from two new uranium prospects, Foxy and Eland
- Exploration programme scheduled for 2008 to advance 13,500 sq km Tanzanian uranium prospective landholding
- Minimum 10,000m of drilling commencing in May with programmes scheduled for Grandfather, Foxy and Eland Prospects and the greater Mtonya trend
- Healthy cash position in excess of £1.8 million in the bank, which will satisfy ongoing exploration commitments

**Directors Report**

The focus has primarily been on developing the Company’s portfolio of uranium licences in the uranium prospective Karoo Basin in Southern Tanzania, where it currently has a land package in excess of 13,500 sq km. Uranium Resources has identified three primary projects, Mtonya, Ruvuma and Ruhuhu. The Company is pursuing an aggressive exploration programme with its joint venture and farm-in partner, ASX listed Western Metals Limited (“WMT”), which has resulted in the Mtonya project identifying subsurface uranium over a strike length of 4km with the largest prospect, Grandfather, yet to be drilled.

Recent results, including the discovery of two new uranium prospects yielding high grades from first pass reconnaissance, have enhanced the Company’s belief in the economic potential of the region.

**Tanzanian Exploration**

Regional helicopter reconnaissance has discovered two new uranium prospects at the Ruvuma Project (URA 50:50 WMT):

- The sandstone hosted Foxy Prospect returned a grab sample assay result of 13,400ppm U3O8 (1.34%); and
- The leuco gneiss hosted Eland Prospect returned grab sample assay results of 1,080ppm U3O8 (0.108%), 440ppm U3O8 (0.044%) and 141ppm U3O8 (0.014%). These results represent a new style of uranium mineralisation in southern Tanzania and were attained from a very limited reconnaissance, which covered only a small area of a much larger anomaly. The Board believes that the success of this brief reconnaissance warrants the re-evaluation of a number of highly significant airborne anomalies that have previously been assigned lower priorities due to being basement hosted.

Subsurface uranium has now been identified in drilling over a strike length of 4km at the Mtonya Project (URA 60:40 WMT). October reverse circulation drilling delivered significant intercepts including:

- 4 metres at 737ppm U3O8 (0.074%) from 44 metres;
- 1 metre at 1140ppm U3O8 (0.114%) from 25 metres;
- 2 metres at 970ppm U3O8 (0.097%) from 20 metres; and
- 3 metres at 216ppm U3O8 (0.022%) from 61 metres.

Channel sampling results from trenches at the Company's (URA 60:40 WMT) Grandfather Prospect confirm earlier high grade surface scintillometer readings and anomalous surface grab samples (4.64% U3O8, 0.20% U3O8). Peak channel sample assay results from trenching included:

- 1.2 metres at 7,723 ppm U3O8 (0.77%) including 0.4 metres at 2.13% U3O8;
- 1.2 metres at 4,773ppm U3O8 (0.477%); and
- 1.2 metres at 2,393 ppm U3O8 (1.239%).

### **Tanzanian Land Acquisition**

In November 2007 the Company was awarded three Prospecting Licences ('PLs') at the Mtonya Project by way of renewal of expiring Prospecting Licences with reconnaissance period ('PLRs'). The new PLs give Uranium Resources the right to explore for an additional three years and the option to extend them for a further two periods of two years each.

### **Corporate**

Previously, Uranium Resources stated that it was exploring a stock exchange listing on the ASX. At this stage, the Company's current share capital structure does not meet the listing requirements of ASX.

### **The 2008 Tanzanian Exploration Programme**

During 2008 our aim is to advance existing projects and identify further licence areas to expand our asset base. In line with this, we are preparing for the Tanzanian field season (the dry season) which we anticipate will run from April to October 2008. We hope to begin drilling in May 2008 with the aim of completing a minimum of 10,000m. Exploration will include:

- Drilling at the Grandfather Prospect (Mtonya Project);
- Further drilling of selected targets on the Mtonya trend;
- Trenching of regional prospects, including Foxy and Eland;
- Drilling of regional prospects, including Foxy and Eland;
- Ground radiometric surveys of regional targets;
- Airborne radiometric surveys of regional targets; and
- Soil sampling.

It is expected that WMT will earn an additional 20% interest in the Farm-in Areas including Mtonya during 2008 (see project ownership table below), by spending A\$2 million in advancing the Company's exploration ground. Once WMT has earned its additional 20% interest, Uranium Resources will be required to contribute 40% of the costs of exploration over the Farm-in Areas. Uranium Resources will continue to contribute its equal share with WMT on the remaining tenements, which include the latest Foxy and Eland discoveries, and represent by land area the majority of ground. The Company has been advised by WMT that its share of expenditure for 2008 will be approximately £650,000. The Company's cash position remains healthy with in excess of £1.8 million in the bank, which will satisfy its current exploration commitments.

## Outlook

The past six months have seen many positive developments for Uranium Resources, with a successful 2007 exploration programme returning positive results. With a solid portfolio of projects and an established joint venture partner in the form of WMT, I am confident that our success will continue and that the future growth prospects of your Company are bright. I look forward to reporting further progress on a regular basis throughout the rest of the year.

Finally, being at the exploration stage, we are not producing revenue and as such I am reporting a pre-tax loss of £150,228 for the six months ended 31 December 2007.

## Project Ownership Summary

JV Description	JV Partners & Ownership			Approx. Gross
	WMT	URA	Local Partner	Land Area (sqkm)

Farm-in Areas	40%	60%	-	2,980*
42.5% JV Areas (Ruvumu)	42.5%	42.5%	15%	10,364
45% JV Areas (Ruhuhu)	45%	45%	10%	211
Rest of Tanzania	URA and WMT consider Tanzania to be an area of mutual interest so each of URA & WMT will offer the other an equal share in any future uranium opportunity in Tanzania.			Country wide

Key:

\* 2,492 sqkm is under application for renewal

+ By way of a farm-in agreement WMT has earned an initial 40% interest in the farm-in areas by spending A\$2million and has the right to earn an additional 20% interest by spending a further A\$2million.

**Hugh Warner**

Director

17 March 2008

**UNAUDITED CONSOLIDATED INCOME STATEMENT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007**

	Six months ended 31 December 2007 (Unaudited) £	Six months ended 31 December 2006 (Unaudited) £	Year ended 30 June 2007 (Unaudited) £
Note			
Administrative expenses	(205,080)	(169,618)	(484,192)
Share-based payments charge	-	(234,000)	(1,149,879)
<b>Group operating loss</b>	<b>(205,080)</b>	<b>(403,618)</b>	<b>(1,634,071)</b>
Interest receivable	54,852	11,680	43,840
<b>Loss before taxation</b>	<b>(150,228)</b>	<b>(391,938)</b>	<b>(1,590,231)</b>
Taxation	-	-	-

<b>Loss for the period</b>		(150,228)	(391,938)	(1,590,231)
<b>Loss per share (pence)</b>				
Basic	4	(0.05p)	(0.19p)	(0.64p)
Diluted	4	(0.05p)	(0.19p)	(0.64p)

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007**

	Share capital	Share premium	Own shares reserve	Share based payments reserve	Retained losses	Total equity
	£	£	£	£	£	£
<b>Six months ended 31 December 2007</b>						
At 1 July 2007	291,000	3,094,360	-	1,149,879	(1,976,366)	2,558,873
Loss for the period	-	-	-	-	(150,228)	(150,228)
At 31 December 2007	291,000	3,094,360	-	1,149,879	(2,126,594)	2,408,645
<b>Six months ended 31 December 2006</b>						
At 1 July 2006	211,000	1,174,360	-	-	(386,135)	999,225
Applications for shares	-	-	50,245	-	-	50,245
Share-based payments cost	-	-	-	234,000	-	234,000
Loss for the period	-	-	-	-	(391,938)	(391,938)
At 31 December 2006	211,000	1,174,360	50,245	234,000	(778,073)	891,532
<b>Year ended 30 June 2007</b>						
At 1 July 2006	211,000	1,174,360	-	-	(386,135)	999,225
Issue of shares	80,000	1,920,000	-	-	-	2,000,000
Share-based payments cost	-	-	-	1,149,879	-	1,149,879
Loss for the year	-	-	-	-	(1,590,231)	(1,590,231)
At 30 June 2007	291,000	3,094,360	-	1,149,879	(1,976,366)	2,558,873

**UNAUDITED CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2007**

		<b>31 December 2007</b> <b>(Unaudited)</b> £	<b>31 December 2006</b> <b>(Unaudited)</b> £	<b>30 June 2007</b> <b>(Unaudited)</b> £
	Note			
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	5	518,711	445,295	509,671
<b>Current assets</b>				
Receivables		3,366	15,802	3,366
Cash and cash equivalents		1,939,257	484,448	2,071,367
		<u>1,942,623</u>	<u>500,250</u>	<u>2,074,733</u>
<b>Total Assets</b>		<u>2,461,334</u>	<u>945,545</u>	<u>2,584,404</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables		(52,689)	(54,013)	(25,531)
<b>Total Liabilities</b>		<u>(52,689)</u>	<u>(54,013)</u>	<u>(25,531)</u>
<b>Net Assets</b>		<u>2,408,645</u>	<u>891,532</u>	<u>2,558,873</u>
<b>EQUITY</b>				
Called up share capital		291,000	211,000	291,000
Share premium account		3,094,360	1,174,360	3,094,360
Own shares reserve		-	50,245	-
Share-based payments reserve		1,149,879	234,000	1,149,879
Retained losses		(2,126,594)	(778,073)	(1,976,366)
<b>Total Equity</b>		<u>2,408,645</u>	<u>891,532</u>	<u>2,558,873</u>

**UNAUDITED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007**

	<b>Six months ended</b> <b>31 December 2007</b> <b>(Unaudited)</b> £	<b>Six months ended</b> <b>31 December 2006</b> <b>(Unaudited)</b> £	<b>Year ended</b> <b>30 June 2007</b> <b>(Unaudited)</b> £
<b>Net cash outflow from operating activities</b>	<u>(177,922)</u>	<u>(179,284)</u>	<u>(472,334)</u>
<b>Investing activities</b>			
Interest received	54,852	11,680	43,840
Funds used for exploration	(9,040)	(16,547)	(118,493)
<b>Net cash from/(used in) investing activities</b>	<u>45,812</u>	<u>(4,867)</u>	<u>(74,653)</u>
<b>Financing activities</b>			
Proceeds from issue of shares	-	50,245	2,000,000
<b>Net cash from financing</b>	<u>-</u>	<u>50,245</u>	<u>2,000,000</u>

<b>(Decrease)/increase in cash and cash equivalents</b>	(132,110)	(133,906)	1,453,013
Cash and cash equivalents at beginning of the period	2,071,367	618,354	618,354
<b>Cash and cash equivalents at the end of the period</b>	<b>1,939,257</b>	<b>484,448</b>	<b>2,071,367</b>

## **NOTES TO THE UNAUDITED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2007**

### **1. Introduction**

In the year ended 30 June 2007, Uranium Resources plc (“the Company”) and its subsidiaries (together “Uranium”) prepared its consolidated financial statements under UK generally accepted accounting principles (“UK GAAP”). With effect from 1 July 2007, the Company is required by the AIM Rules to prepare its consolidated financial statements in accordance with International Financial Reporting Standards (“IFRS”). Uranium will therefore prepare both its consolidated financial statements and its parent company financial statements for the year ending 30 June 2008 in compliance with IFRS. Uranium will present one year of comparative IFRS information for the year ended 30 June 2007, and consequently the date of transition is 1 July 2006 (“transition date”), being the first day of the comparative period. The first published results to be prepared on an IFRS basis are these results for the six months ended 31 December 2007, which include comparative IFRS financial statements for the six months ended 31 December 2006.

The comparative figures for the year ended 30 June 2007 prepared under IFRS are not Uranium’s statutory accounts for that financial year. Those accounts, which were prepared under UK GAAP, have been reported on by Uranium’s auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985. The financial information for the six months ended 31 December 2007 and 31 December 2006 is unaudited and does not constitute statutory accounts as defined in section 240 of the Companies Act 1985.

Information required by AIM Rule 26 is available in the investor relations section of Uranium’s website at [www.uraniumresources.co.uk](http://www.uraniumresources.co.uk).

The Company is listed on AIM, the Alternative Investment Market of the London Stock Exchange.

This Interim Report, including Uranium’s consolidated financial information, was authorised for issue by the board of directors on 17 March 2008.

### **2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of the consolidated financial information, in accordance with IFRS, are set out below. These policies have been consistently applied to all the periods presented.

#### **2.1 Basis of preparation**

This interim consolidated financial information of the Company and its subsidiaries is for the six months ended 31 December 2007. This has been prepared in accordance with IAS 34 ‘Interim Financial Reporting’, and is covered by IFRS 1 ‘First-time adoption of IFRS’, because it is part of the period covered by Uranium’s first IFRS financial statements for the year ending 30 June 2008. This interim financial

information has been prepared in accordance with those IFRS standards effective as at the time of preparing this Interim Report. The IFRS standards that will be applicable at 30 June 2008 including those that will be applicable on an optional basis, are not known with certainty at the time of preparing this Interim Report.

UK GAAP differs in some areas from IFRS. In preparing this consolidated interim financial information, the directors have amended certain accounting, valuation and consolidation methods applied in the UK GAAP financial statements to comply with IFRS. The comparative figures have been restated to reflect these adjustments.

Reconciliations and descriptions of the effect of the transition from UK GAAP to IFRS on Uranium's equity, net assets, net income and cashflows are provided in note 10.

The consolidated financial information has been prepared under the historical cost convention, on a going concern basis and in accordance with International Financial Reporting Standards, as adopted by the European Union, including IFRS6 'Exploration for and Evaluation of Mineral Resources' and in accordance with the Companies Act 1985.

## **2.2 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 date of acquisition. Intra-group sales, profits and balances are eliminated fully on consolidation.

## **2.3 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 fixed 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 profit 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.

## **2.4 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.

## **2.5 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 profit and loss account.

## **2.6 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.

## **2.7 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.

## **2.8 Share based payments**

The Company 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. 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.

## **2.9 Foreign currency translation**

### *(i) Functional and presentational currency*

Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in Pounds Sterling ("£"), which is the group's functional and presentation 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.

### *(iii) Group companies*

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity as a movement of reserves.

## **2.10 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.

## **2.11 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 area involving a higher degree of judgement or complexity, where assumptions and estimates are significant to the financial statements, is 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.

### **3 Segmental reporting**

For the purposes of segmental information, the operations of the Group are focused on Africa and comprise one class of business: the exploration and evaluation for uranium.

The Company acts as a holding Company.

The Group's operating loss arose from its operations in Africa. In addition, all the Group's assets (except for current assets which are based in Europe) are based in Africa.

### **4. Loss per share**

The basic loss per share has been considered using the loss attributable to equity shareholders for the financial period of £150,228 (December 2006: £391,938; 30 June 2007: £1,590,231) and the weighted average number of ordinary shares in issue of 291,000,000 (31 December 2006: 211,000,000; 30 June 2007: 247,848,219).

The diluted loss per share has been considered using a weighted average number of shares in issue and to be issued of 317,125,761 (30 June 2007: 260,552,740, 31 December 2006: 211,000,000). 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.

### **5. Intangible assets**

The Group's intangible asset consists entirely of exploration and evaluation expenditure capitalised. 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, as commercial reserves have not yet been established or the determination process have not been completed, and there are no indicators of impairment. 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 provision for impairment is currently necessary.

### **6. Subsidiary undertakings**

Name of company	Proportion held	Principal activity
Deep Yellow Tanzania Limited	100%	Uranium exploration
URA (St Henri) Limited	100%	Applied for exploration licences

## **7. 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 31 December 2007, for any future costs of decommissioning or any environmental damage.

## **8. Exploration expenditure commitments**

In order to maintain an interest in the uranium permits in which the Group is involved, the Group is committed to meet the conditions under which the permits were granted. The timing and amount of exploration expenditure commitments and obligations of the Group are subject to the work programme required as per the permit commitments and may vary significantly from the forecast based upon the results of the work performed. Exploration results in any of the projects may also result in variation of the forecast programmes and resultant expenditure. Such activity may lead to accelerated or decreased expenditure. It is the Group's policy to seek joint operating partners at an early stage so as to reduce its commitments.

**31 December 2007**

**£**

The Group's exploration commitments are:

Within one year	662,681
Between one and two years	883,291
	1,545,972

## **9. Material events subsequent to the end of the interim period**

There has been no matter or circumstance that has arisen, since the 31 December 2007 and up to the date of this report, that has significantly affected, or may significantly affect:

- a) the Group's operations in future financial years, or
- b) the results of those operations in future financial years, or
- c) the Group's state of affairs in future financial years.

## **10. Transition from UK GAAP to IFRS**

Uranium's first published results, which have been prepared on an IFRS basis, are these results for the six months ended 31 December 2007, which include comparative IFRS financial information for the six months ended 31 December 2006 and the year ended 30 June 2007.

Set out below are extracts from Uranium's consolidated financial statements for the year ended 30 June 2007 and the consolidated financial information for the six months ended 31 December 2006 restated in accordance with IFRS including the income statements and balance sheets showing in each case the equivalent statement under UK GAAP and reconciliations between UK GAAP and IFRS. These statements constitute preliminary comparative IFRS financial information in the context of the financial information for the six months ended 31 December 2007. This note also includes Uranium's balance sheet under IFRS at the transition date (1 July 2006), together with a reconciliation to the originally published UK GAAP balance sheet at that date. Cash flow statements have not been prepared as there are no adjustments.

There are no changes to the parent company's financial information resulting from the transition from UK GAAP to IFRS at the transition date of 1 July 2006 and for the six months ended 31 December 2006 and the year ended 30 June 2007, therefore, no financial information is shown below for the company.

The changes on the transition to IFRS arise from the following principal factors:

(i) Presentation of financial information

Presentation has been changed to be in compliance with IAS 1 "Presentation of Financial Statements" and terminology has also been changed to reflect headings used in IFRS.

The cash flow statements are presented in accordance with IAS 7 "Cash Flow Statements". Cash flows have been grouped under three main headings, cash flows from operating, investing and financing activities; these headings differ from those presented under UK GAAP.

(ii) IFRS 3 "Business Combinations"

Under IFRS, goodwill arising on acquisition is capitalised and subject to an annual impairment review. Under UK GAAP, goodwill was amortised over its estimated useful life. Consequently under IFRS, this amortisation charge has been reversed from the consolidated income statement and added back to the net book value of goodwill.

IFRS 1 "First-time Adoption of International Financial Reporting Standards" permits companies adopting IFRS for the first time to take certain exemptions from the full requirements of IFRS in the transition period. The interim financial information has been prepared on the basis of the following material exemptions:

Net book value as deemed cost

IFRS 1 does not require a company to recreate cost information for property, plant and equipment and goodwill. The group's net book value of goodwill at 1 July 2006 is the deemed cost under IFRS going forward.

Accounting estimates

IFRS 1 prohibits the use of hindsight to correct estimates made under previous UK GAAP unless there is objective evidence of error. The group used the same estimates made under UK GAAP for the opening IFRS balance sheet at 1 July 2006.

Statement of directors' responsibilities

The directors consider, in preparing the preliminary comparative IFRS financial information, that the company and the group have used appropriate accounting policies, consistently applied and supported by reasonable and supportable judgements and estimates; and these accounting principles include the assumptions the directors have made about the standards and interpretations expected to be effective, and the policies expected to be adopted, when they prepare the first complete set of IFRS financial statements for the year ending 30 June 2008. All accounting standards which the directors consider to be applicable have therefore been followed including the preparation of the preliminary comparative IFRS financial information.

**Balance sheet at 1 July 2006 (date of transition)**

	UK GAAP	Effect of transition to IFRS	IFRS
	£	£	£
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	363,470	27,708	391,178

<b>Current assets</b>			
Trade and other receivables	2,182	-	2,182
Cash and cash equivalents	618,354	-	618,354
	620,536	-	620,536
<b>Total assets</b>	984,006	27,708	1,011,714
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	(12,489)	-	(12,489)
	(12,489)	-	(12,499)
<b>Total liabilities</b>	(12,489)	-	(12,499)
<b>Net assets</b>	971,517	27,708	999,225
<b>Equity</b>			
Share capital	211,000	-	211,000
Share premium account	1,174,360	-	1,174,360
Retained losses	(413,843)	27,708	(386,135)
<b>Total equity and reserves</b>	971,517	27,708	999,225

The above adjustment relates to the reversal of amortisation of goodwill.

**Balance sheet at 31 December 2006 (comparative interim date)**

	UK GAAP	Effect of transition to IFRS	IFRS
	£	£	£
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	400,087	45,208	445,295
<b>Current assets</b>			
Trade and other receivables	15,502	-	15,502
Cash and cash equivalents	484,448	-	484,448
	500,250	-	500,250
<b>Total assets</b>	900,337	45,208	945,545
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	(54,013)	-	(54,013)
<b>Non-current liabilities</b>			
Provisions for liabilities and charges	(24,000)	-	(24,000)
	(78,013)	-	(78,013)
<b>Total liabilities</b>	(78,013)	-	(78,013)
<b>Net assets</b>	822,324	45,208	867,532
<b>Equity</b>			
Share capital	211,000	-	211,000
Share premium account	1,174,360	-	1,174,360
Own shares reserve	50,245	-	50,245
Share based payments reserve	234,000	-	234,000
Retained losses	(847,281)	45,208	(802,073)
<b>Total equity and reserves</b>	822,324	45,208	867,532

The above adjustment relates to the reversal of the amortisation of goodwill.

**Balance sheet at 30 June 2007 (comparative year end date)**

	UK GAAP	Effect of transition to IFRS	IFRS
	£	£	£
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	509,671	-	509,671
<b>Current assets</b>			
Trade and other receivables	3,366	-	3,366
Cash and cash equivalents	2,071,367	-	2,071,367
	2,074,733	-	2,074,733
<b>Total assets</b>	2,584,404	-	2,584,404
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	(25,531)	-	(25,531)
<b>Total liabilities</b>	(25,531)	-	(25,531)
<b>Net assets</b>	2,558,873	-	2,558,873
<b>Equity</b>			
Share capital	291,000	-	291,000
Share premium account	3,094,360	-	3,094,360
Share-based payments reserve	1,149,879	-	1,149,879
Retained losses	(1,976,366)	-	(1,976,366)
<b>Total equity and reserves</b>	2,558,873	-	2,558,873

**Income statement for the six months ended 31 December 2006 (comparative interim period)**

	UK GAAP	Effect of transition to IFRS	IFRS
	£	£	£
<b>Revenue</b>	-	-	-
Cost of sales	-	-	-
<b>Gross profit</b>	-	-	-
Administrative expenses	(169,618)	-	(169,618)
Amortisation of goodwill	(17,500)	17,500	-
Share-based payments charge	(258,000)	-	(258,000)
<b>Operating loss</b>	(445,118)	17,500	(427,618)
Interest receivable	11,680	-	11,680
<b>Loss before tax</b>	(435,438)	17,500	(415,938)
Tax	-	-	-
<b>Loss for the period</b>	(433,438)	17,500	(415,938)

**Income statement for the year ended 30 June 2007 (comparative annual period)**

	UK GAAP	Effect of transition to IFRS	IFRS
	£	£	£
<b>Revenue</b>	-	-	-
Cost of sales	-	-	-
<b>Gross profit</b>	-	-	-
Administrative expenses	(456,484)	(27,708)	(484,192)
Share-based payments charge	(1,149,879)	-	(1,149,879)
<b>Operating loss</b>	(1,606,363)	(27,708)	(1,634,071)
Interest receivable	43,840	-	43,840
<b>Loss before tax</b>	(1,562,523)	-	(1,590,231)
Tax	-	-	-
<b>Loss for the period</b>	(1,562,523)	(27,708)	(1,590,231)

## 11. Further copies of the interim report

Further copies of this interim report are available at the Uranium Resources plc registered office at One America Square, Crosswall, London EC3N 2SG.

**\*\*ENDS\*\***

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