

URANIUM RESOURCES PLC
GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

URANIUM RESOURCES PLC

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URANIUM RESOURCES PLC

DIRECTORS, SECRETARY AND ADVISERS

Directors	Alex Gostevskikh (Managing Director) Hugh Warner (Executive Director) Ross Warner (Executive Director) James Pratt (Executive Director) Andrew Lewis (Non-Executive Director)
Company Secretary	John Bottomley
Registered Office	One America Square Crosswall London EC3N 2SG
Company Number	5329401
Nominated Adviser and Broker	Ambrian Partners Limited Old Change House 128 Queen Victoria Street London EC4V 4BJ
Solicitors	Watson, Farley & Williams 15 Appold Street London EC2A 2HB
Group Auditors	UHY Hacker Young LLP Quadrant House 17 Thomas More Street Thomas More Square London E1W 1YW
Share Registry	Computershare Services plc P.O. Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH
Bankers	Barclays Bank plc London Business Banking United Kingdom House 180 Oxford Street London W1D 1EA

URANIUM RESOURCES PLC

EXECUTIVE DIRECTORS' STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

This has been another year of progress and we were pleased to provide an update on our achievements over the period and the direction in which we are taking the Company. In the last Annual Report, we set out that 2008 would be a year of corporate reorganisation, targeted exploration and definable growth, and we are pleased to report that we believe we have delivered in all these areas.

During period under review, the Company continued its exploration programme in tandem with its ASX listed joint venture partner Western Metals Ltd ('Western Metals'), which is primarily focussed on developing the Mtonya, Ruhuhu and Ruvuma uranium licence areas in southern Tanzania.

As part of our growth strategy, we also strengthened the Board with the appointments of Alex Gostevskikh and Andrew Lewis, who as well as assisting in developing our current assets, will help identify additional projects to expand our existing portfolio.

Importantly we also maintain a healthy cash position of £1.12 million at 30 November 2008, which we believe places Uranium Resources plc and its subsidiaries ("Uranium Resources" or "URA") in a strong and stable position going forward.

Exploration

The Company's primary focus has been the exploration of its circa 13,000 km² uranium licence areas in southern Tanzania. The 2008 exploration programme, conducted by our joint venture farm-in partner Western Metals Limited (ASX: WMT), was completed on 15th September with 171 Reverse Circulation ('RC') holes drilled totalling 10,670m.

The programme expanded the area of uranium mineralisation around the Henri trend at the Mtonya project and continued to evaluate prospects along the Mtonya Corridor, including the Grandfather prospect. In addition they identified two new areas of uranium mineral interest, Foxy and Eland at the Ruvuma Project and a further anomaly, Pedro at the Ruhuhu Project, which will be assessed during the 2009 drilling programme scheduled to commence during the 2nd quarter.

Encouragingly, Western Metals has achieved its farm-in target by spending AU\$4million on exploration on the farm-in tenements and accordingly has earned a 60% interest in those tenements.

Mtonya Project

The focus of the 2008 drilling programme was the continued evaluation of prospects along the Mtonya Corridor in particular Grandfather, Rufus, Henri and Para Extended.

152 RC holes were drilled for a total of 9,288m into prospects along the Mtonya Corridor. Infill and extension drilling at known prospects such as Moysten, Para, Tahbilk and Henri have confirmed tenor and extended mineralisation. Encouragingly, drilling at these prospects has returned a number of significant intercepts.

Of particular interest was hole MRC235, drilled in an area of relatively low surface radiometric response between the Tahbilk and Moysten Prospects, which returned 2m at 1,320 ppm U₃O₈ from 36 metres. Follow up of this new anomaly will be undertaken as part of the 2009 exploration programme.

URANIUM RESOURCES PLC

EXECUTIVE DIRECTORS' STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Significant intercepts from results received to date from 2008 RC drilling include:

Drill Hole	Depth (metres)	Grade - ppm U ₃ O ₈	From (metres)
MRC143	12	676	22
MRC143	3	690	12
MRC139	2	1,525	11
MRC116	7	263	44
MRC136	5	222	18
MRC138	2	300	22
MRC200	4	1,938	26
MRC200	4	988	34
MRC183	2	1,715	56
MRC235	2	1,320	36
MRC195	5	1,214	30
MRC180	3	833	27
MRC223	4	648	6
MRC223	2	700	19
MRC231	6	517	15
MRC131	6	420	9
MRC190	7	496	27
MRC190	7	417	10
MRC167	4	475	2
MRC189	5	364	23

Ruvuma Project

The Ruvuma licence area spans circa 10,200 sq km, predominantly over areas of the Karoo Basin and hosts sediments similar to the Company's Mtonya Project as well as Paladin's Kayelekera Operation 300km to the west in Malawi. The geology of the region is analogous to Paladin's Kayelekera and the Mtonya Project.

As part of the Company's 2008 exploration programme, a detailed geological mapping, ground geophysical and geochemical survey was undertaken, which returned encouraging results.

At the Foxy Prospect, 19 RC holes were drilled for a total of 1,382m. Initial indications from downhole geophysical logging are that a number of holes intersected shallow, low-moderate grade uranium mineralisation.

At Eland, detailed ground radiometric and spectrometric readings were completed at the discovery site. In addition, traverses were made to the south-west to locate anomalous areas indicated on the 'informal' total count heli-borne survey carried out in 2007. Grab samples were collected from hotspots as well as a range of type samples. The radiometric data shows a clear 300 counts per second total count (Geogammer) anomaly (150 x 30m in size) along the north-east margin of the hill. The anomaly is located along the contact between equigranular syenite and a melange of syenitic rock and frosted felsic gneiss. The anomaly continues to the south-east into a zone of syenitic rubble and soil cover. Preliminary geological scout maps were also made of both the discovery area at Eland Hill and along traverses away from the hill. Reconnaissance traverses to the south-west resulted in the discovery of several patches with uranium hotspots associated with nepheline syenite and frosted altered gneiss. In addition, the outcrop was generally scattered with boulder sub-crop.

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EXECUTIVE DIRECTORS' STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

A number of rock chip samples taken from the Eland environs returned anomalous uranium, tantalum and niobium values. Of particular interest is the fact that this 'hard rock' style of mineralisation has similarities to other deposits located in Namibia and Malawi. Significant results included:

	Grade – ppm U ₃ O ₈	Grade – ppm Nb	Grade – ppm Ta
A7-535	1,040	2,740	530
A7-536	370	6,480	950
A7-539	1,060	4,640	690
A7-547	1,260	5,450	870
A7-568	880	2,890	620
B0-200	1,140	4,960	860

Ruhuhu Project

The 2008 drill programme was designed to include evaluation of regional prospects such as the Pedro project at Ruhuhu, however access issues prevented drill evaluation of the Pedro prospect. These and other prospects will be assessed during the 2009 drill programme which is scheduled to commence during the 2nd quarter of 2009.

Operating agreements and ownership of tenements

As at 30 June 2008, the Group had three joint operating agreements covering licences for exploration of uranium and related minerals in a land area of 13,553 km² in southern Tanzania. Under each operating agreement, each participant (ie. partner) in the agreement accounts for its proportionate share of costs, revenues, assets and liabilities of joint arrangements, except that the local partner's share of costs is borne equally by the other two main partners. The two main partners in the joint operating agreements are Uranium Resources plc and its subsidiaries and Western Metals Limited ("Western Metals"). The three operating agreements can be summarised as follows:

Project and area	Interests of participants			Land area sq km
	URA	Western Metals	Local partner	
Farm-in, Mtonya & Ruhuhu*	40%	60%	-	2,977
Kapinga, Ruvuma & Bindi**	42.5%	42.5%	15%	10,365
Makweba, Ngaka**	45%	45%	10%	211
				<u>13,553</u>

* Under the Farm-in project, Western Metals was required to spend AU\$2 million to earn 40% and a further AU\$2 million to earn a further 20% interest in the project. URA was free carried until AU\$4 million was spent by Western Metals. By the year end, Western Metals had spent the required AU\$4 million and acquired a 60% interest in the project. Since the year end, both URA and Western Metals have been contributing their proportionate share of costs on the project.

** In the case of these projects, the share of costs of the local partner is borne equally by URA and Western Metals

Western Metals carries out the exploration programme on behalf of the joint venture and invoices Uranium Resources for its share of these costs as well as administrative expenses. Uranium Resources pays 70% of the estimated costs at the beginning of each quarter. The remainder, which is based on actual costs relating to that period, is billed at the beginning of the next quarter.

**EXECUTIVE DIRECTORS' STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

Board Appointments

As part of our growth strategy, we strengthened the management team with the appointment of a new Managing Director, Mr. Alex Gostevskikh, and a new Non-executive Director, Mr. Andrew Lewis. Alex and Andrew have previously developed and operated globally significant mining projects and bring a wealth of experience across a range of commodities. Both Alex and Andrew will help Uranium Resources pursue its objectives of growing the Company through the advancement of its current project portfolio in southern Tanzania and identifying further targets to expand the existing asset base. We believe that the current uncertainties in the global markets provide opportunities for companies such as Uranium Resources, which have experienced management teams to take advantage of opportunistic acquisitions and in turn build shareholder value.

Financial results

In line with our expectations, the Group is reporting a loss of £60,656 for the year ended 30 June 2008. We are an exploration company and as such we are not producing revenue. We are well capitalised with a net cash position of £1,810,971 at 30 June 2008 and £1,123,570 at 30 November 2008.

Strategy and Future Direction

Throughout the period under review, the Company retained a strong cash position, which places it in a solid position to advance its existing uranium projects in southern Tanzania and to generate and develop new opportunities going forward.

Uranium Resources strategy is to build upon its exploration successes and to fast track its three uranium projects, Mtonya, Ruvuma and Ruhuhu to a resource stage to realise their economic potential. Additionally, the Company is looking to identify a number of mid size precious metal targets with short development cycle requirements to expand its asset base and core offering.

The principal premise for the Company's growth is being opportunistic and open-minded, seeking high-quality early-stage opportunities that deliver the optimal combination of cost-value-timeframe. A number of jurisdictions and opportunities that would complement the Company's existing portfolio are currently under review, where Uranium Resources would either seek partnerships with senior companies or pursue development independently.

During the year we have seen many positive developments for the Company. With a strengthened management team, a solid portfolio of projects being advanced with our JV partner, a clear strategy to increase the Company's asset base and a healthy cash position, We are confident that our success will continue and that the future of Uranium Resources is bright.

Signed on behalf of the Executive Directors by:

Ross Warner
Director

18 December 2008

URANIUM RESOURCES PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

The Directors present their Directors' report together with the audited financial statements of the Group ("Uranium Resources Plc and its subsidiary undertakings") and of the Company for the year ended 30 June 2008.

Principal activity

The Company is registered in England and Wales, having been incorporated on 11 January 2005 under the Companies Act with registered number 5329401 as a public company limited by shares. The Company is listed on the Alternative Investment Market ("AIM") of the London Stock Exchange.

The principal activity of the Group is uranium exploration in Tanzania. The Group operates through its parent and subsidiary companies, details of which are set out in note 10 to these financial statements.

Review of the business and future prospects

The Group results for the year and the financial position at 30 June 2008 are considered satisfactory by the Directors. A review of the year's activities and future prospects is contained in the Executive Director's Statement.

Due to the early stage of development of the Group, it is not meaningful to consider a review of key performance indicators in respect of the year under review. Critical non-financial KPIs, at this stage, are the adherence to licence commitments and the availability of funding to meet those commitments.

Results and dividends

The Group results for the year are set out on page 14.

The Group made a loss of £60,656 (2007: £1,590,231).

The Directors have not recommended any dividends for the year ended 30 June 2008 (2007: £Nil).

Changes in share capital

Details of movements in share capital during the year are set out in note 13 to these financial statements.

Directors

The following Directors held office during the year:

Hugh David Warner
James Douglas Ryston Pratt
Ross Michael Warner

Subsequent to the year end, the following Directors were appointed:

Alex Gostevskikh (appointed 24 July 2008)
Andrew Lewis (appointed 24 July 2008)

URANIUM RESOURCES PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

Directors' interests

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

		30 June 2008		30 June 2007	
		<i>Share options re:</i>		<i>Share options re:</i>	
		<i>Ordinary shares</i>	<i>Ordinary shares</i>	<i>Ordinary shares</i>	<i>Ordinary shares</i>
		<i>of 0.1p each</i>	<i>of 0.1p each</i>	<i>of 0.1p each</i>	<i>of 0.1p each</i>
Hugh Warner	(1)	24,706,666	10,000,000	24,706,666	10,000,000
James Pratt	(2)	5,940,000	10,000,000	5,940,000	10,000,000
Ross Warner	(3)	3,000,000	10,000,000	3,000,000	10,000,000

- (1) Hugh Warner's shareholding represents 17,280,000 ordinary shares held by a family trust called Elliot Holdings Pty Limited and 7,426,666 ordinary shares held in his own name (all shares are held via Fitel Nominees), in which he has a beneficial interest. He holds 5,000,000 share options exercisable at 2.5p on or before 28 November 2011 and 5,000,000 share options exercisable at 5p on or before 28 November 2011.
- (2) James Pratt's shareholding of 5,940,000 ordinary shares represents 3,000,000 ordinary shares held in his own name and 2,940,000 held by Fitel Nominees for the benefit of his wife Catriona Pratt. He holds 5,000,000 share options exercisable at 2.5p on or before 28 November 2011 and 5,000,000 share options exercisable at 5p on or before 28 November 2011.
- (3) In addition to his shareholding of 3,000,000 ordinary shares, Ross Warner holds 5,000,000 share options exercisable at 2.5p on or before 28 November 2011 and 5,000,000 share options exercisable at 5p on or before 28 November 2011.

After the year end, the Company granted Alex Gostevskikh and Andrew Lewis with 28 million and 6 million share options, respectively. These options have exercise prices ranging from 5p to 35p with expiry dates on 23 July 2013.

Pensions

The Group does not operate a pension scheme for Directors or employees.

Directors' remuneration

Remuneration of Directors during the year ended 30 June 2008 was as follows:

	Fees/basic salaries	Employers' NI	Benefits in kind	2008 Total	2007 Total
	£	£	£	£	£
Hugh Warner	36,000	3,912	-	39,912	33,655
Ross Warner	36,000	3,912	-	39,912	30,655
James Pratt	36,000	3,933	-	39,933	45,544
Peter Harold	-	-	-	-	10,000
	<u>108,000</u>	<u>11,757</u>	<u>-</u>	<u>119,757</u>	<u>119,854</u>

Directors' remuneration shown above comprises all of the fees, salaries and other benefits and emoluments paid to Directors for their services to the Group. No share based payments were made to Directors during the year to 30 June 2008

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

Environment policy statement

Whilst at 30 June 2008 the Company was not an operator of any exploration projects, it closely monitors activities to ensure to the best of its knowledge there is no potential for any such breach. There have been no convictions in relation to breaches of the local Tanzanian regulations recorded against the Group during the reporting period.

Issue of share options

There were no new share options granted or exercised during the year ended 30 June 2008 and the share options outstanding at 30 June 2008 are shown in note 13 to the financial statements.

Directors' interests in transactions

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

Internal controls

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

Substantial shareholders

In addition to Hugh Warner's shareholding shown in the Directors' interests above, representing 8.49% of the total shares in issue, the Company has been notified of major shareholdings based on the procedures adopted by it under the Companies Act 2006. In accordance with "Disclosure and Transparency Rules", issued by the Financial Services Authority, the interests in the Company's ordinary shares as at 1 December 2008 of its major shareholders were as follows:

	Number of ordinary shares	% of share capital
BNY (OCS) Nominees Limited	42,000,000	14.43%
Mr Ronald Bruce Rowan	24,500,000	8.42%
Sunvest Corporation Limited	20,000,000	6.87%
Barclayshare Nominees Limited	18,870,122	6.48%
Pershing King Nominees Limited <PENNY>	18,676,820	6.42%
Fitel Nominees Limited (A/C 0066494)	12,280,000	4.22%
Pershing Keen Nominees Limited <KSCLT>	9,660,000	3.32%

Principal risks and uncertainties facing the Group

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

- No assurance that uranium will be discovered and if it is, that it is not economically viable to be recovered.
- Delays in construction or commissioning of drilling projects may result in the Group's projected target dates for production being delayed or further capital expenditure required.
- Reliance on facilities operated by others over which the Group has no control.
- Market price of uranium and foreign exchange rates which are affected by numerous factors beyond the Group's control but could have a material effect on the financial condition and value of its uranium reserves.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

- Operations may be disrupted by a variety of risks and hazards which are beyond the control of the Group, including environmental hazards, accidents, technical failures, and inclement or hazardous weather conditions.
- The political situation in Tanzania exposes the Group to political economic and other uncertainties, including but not limited to terrorism, war, military repression, and changes in energy policies, regulations, taxation, or operations of foreign-based companies.
- Future exploration and development and/or acquisition of new properties may be dependent upon the Group's ability to obtain suitable financing and at reasonable terms.
- The Group competes with other companies in the search for uranium and other interests as well as for the recruitment and retention of qualified employees.

Use of financial instruments

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

Post balance sheet events

No significant events have occurred since 30 June 2008, except Alex Gostevskikh was appointed managing director and Andrew Lewis was appointed a non-executive director on 24 July 2008 and that the Company granted, in total, 34 million share options to those directors at exercise prices ranging from 5p to 35p with expiry date of 23 July 2013.

Political and charitable donations

There were no political or charitable contributions made by the Group during the year ended 30 June 2008.

Annual general meeting

The Company's Annual General Meeting will be held on 30 January 2009 at 3pm. The Notice of the Meeting, which sets out the resolutions to be proposed, will be sent to shareholders.

Audit committee

The Audit Committee meets twice each year to discuss the half yearly and annual results. For the annual results the independent auditors, UHY Hacker Young LLP, are invited to discuss the results and their assessment of internal controls. The Chairman of the Audit committee is Ross Warner and the other participating member of the committee during the year was James Pratt.

The Company has adopted an Audit Committee Charter which addresses the mandate of the Committee, the composition, independence, expertise of the members, frequency of meetings, roles and responsibilities, external audit function, internal controls, financial reporting, annual and interim financial statements, release of financial information, non-audit services, delegation of authority, reporting responsibilities, resources and authority of the Committee, and compliance with laws and regulations.

Remuneration committee

The Company does not, at present, have a Remuneration Committee.

Creditor payment policy and practice

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

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

Going concern

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

For these reasons, and as further discussed in note 1.3 to the financial statements, the Directors are satisfied that the Group has adequate resources to continue its operations for the foreseeable future, and for at least one year from the date of approval of these financial statements and they, therefore, continue to adopt the going concern basis in preparing the Group's financial statements.

Information to shareholders - Web site

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

Statement of responsibilities of those charged with governance

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

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

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Directors are also responsible for safeguarding the assets of the Group and hence for taking steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

URANIUM RESOURCES PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

Statement of disclosures to auditor

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

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

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that UHY Hacker Young LLP be re-appointed as auditors of the Company and that the Directors be authorised to fix their remuneration will be put to the next Annual General Meeting.

By order of the board

Ross Warner
Director

18 December 2008

URANIUM RESOURCES PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF URANIUM RESOURCES PLC

We have audited the Group and Parent Company financial statements of Uranium Resources plc for the year ended 30 June 2008 which comprises the Consolidated Income Statement, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements and the related Notes. These financial statements have been prepared under the basis and accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards ("IFRS"), as adopted by the European Union are set out in the Statement of Responsibilities of those charged with Governance.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements. In addition, we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises the Executive Directors' Statement and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

URANIUM RESOURCES PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF URANIUM RESOURCES PLC

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRS, as adopted by the European Union, of the state of the Group's affairs as at 30 June 2008 and of the Group's loss for the year then ended;
- the Parent Company financial statements give a true and fair view, in accordance with IFRS, as adopted by the European Union, of the state of the Parent Company's affairs as at 30 June 2008;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

UHY Hacker Young LLP

Chartered Accountants
Registered Auditors

Quadrant House
17 Thomas More Street
Thomas More Square
London E1W 1YW

18 December 2008

URANIUM RESOURCES PLC

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

		2008 £	2007 £
	Notes		
Group revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(172,954)	(484,192)
Share-based payments charge	14	-	(1,149,879)
Total administrative expenses		(172,954)	(1,634,071)
Group operating loss	3	(172,954)	(1,634,071)
Interest receivable	4	112,298	43,840
Loss before taxation		(60,656)	(1,590,231)
Taxation	5	-	-
Loss for the year		(60,656)	(1,590,231)
Attributable to:			
Equity holders of the Company		(60,656)	(1,590,231)
Loss per share (pence)	6		
Basic		(0.02p)	(0.64p)
Diluted		(0.02p)	(0.64p)

The results shown above related entirely to continuing operations.

URANIUM RESOURCES PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008**

	Share capital	Share premium	Share based payments reserve	Retained losses	Total equity
	£	£	£	£	£
Year ended 30 June 2007					
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
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

URANIUM RESOURCES PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Share capital	Share premium	Share based payments reserve	Retained losses	Total equity
	£	£	£	£	£
Year ended 30 June 2007					
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	-	-	-	(1,588,250)	(1,588,250)
At 30 June 2007	291,000	3,094,360	1,149,879	(1,974,385)	2,560,854
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

URANIUM RESOURCES PLC

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2008

	Notes	2008 £	2007 £
ASSETS			
Non-current assets			
Exploration and evaluation assets	9	708,253	509,671
Current assets			
Receivables	11	3,366	3,366
Cash and cash equivalents		1,810,971	2,071,367
		1,814,337	2,074,733
Total Assets		2,522,590	2,584,404
LIABILITIES			
Current liabilities			
Trade and other payables	12	(24,373)	(25,531)
Total Liabilities		(24,373)	(25,531)
Net Assets		2,498,217	2,558,873
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	14	1,149,879	1,149,879
Retained losses		(2,037,022)	(1,976,366)
Total Equity	15	2,498,217	2,558,873

The financial statements were approved by the Board of Directors on 18 December 2008 and signed on its behalf by:

Ross Warner
Director

URANIUM RESOURCES PLC

COMPANY BALANCE SHEET AS AT 30 JUNE 2008

	Notes	2008 £	2007 £
ASSETS			
Non-current assets			
Investments in subsidiaries	10	<u>710,234</u>	<u>511,652</u>
Current assets			
Receivables	11	3,366	3,366
Cash and cash equivalents		<u>1,810,971</u>	<u>2,071,367</u>
		<u>1,814,337</u>	<u>2,074,733</u>
Total Assets		<u>2,524,571</u>	<u>2,586,385</u>
LIABILITIES			
Current liabilities			
Trade and other payables	12	<u>(24,373)</u>	<u>(25,531)</u>
Total Liabilities		<u>(24,373)</u>	<u>(25,531)</u>
Net Assets		<u>2,500,198</u>	<u>2,560,854</u>
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	14	1,149,879	1,149,879
Retained losses		<u>(2,035,041)</u>	<u>(1,974,385)</u>
Total Equity	15	<u>2,500,198</u>	<u>2,560,854</u>

The financial statements were approved by the Board of Directors on 18 December 2008 and signed on its behalf by:

Ross Warner
Director

URANIUM RESOURCES PLC**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	2008	2007
	£	£
Cash flows from operating activities		
Group operating loss for the year	(172,954)	(1,634,071)
Adjustments for items not requiring an outflow of funds:		
Share based payments charge	-	1,149,879
Operating loss before changes in working capital	(172,954)	(484,192)
Increase in receivables	-	(1,184)
(Decrease)/increase in payables	(1,158)	13,042
Cash used in operations	(174,112)	(472,334)
Interest received	112,298	43,840
Net cash used in operating activities	(61,814)	(428,494)
Investing activities		
Funds used for exploration and evaluation	(198,582)	(118,493)
Net cash used in investing activities	(198,582)	(118,493)
Financing activities		
Proceeds from issue of shares	-	2,000,000
Net cash from financing	-	2,000,000
(Decrease)/increase in cash and cash equivalents	(260,396)	1,453,013
Cash and cash equivalents at beginning of the year	2,071,367	618,354
Cash and cash equivalents at the end of the year	1,810,971	2,071,367

URANIUM RESOURCES PLC

COMPANY CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	£	£
Cash flows from operating activities		
Company operating loss for the year	(172,954)	(1,632,091)
Adjustments for items not requiring an outflow of funds:		
Share based payments charge	-	1,149,879
Operating loss before changes in working capital	(172,954)	(482,212)
Increase in receivables	-	(1,184)
(Decrease)/increase in payables	(1,158)	13,042
Cash used in operations	(174,112)	(470,354)
Interest received	112,298	43,840
Net cash used in operating activities	<u>(61,814)</u>	<u>(426,514)</u>
Investing activities		
Loans granted to subsidiaries	<u>(198,582)</u>	<u>(120,473)</u>
Net cash used in investing activities	<u>(198,582)</u>	<u>(120,473)</u>
Financing activities		
Proceeds from issue of shares	<u>-</u>	<u>2,000,000</u>
Net cash from financing	<u>-</u>	<u>2,000,000</u>
(Decrease)/increase in cash and cash equivalents	(260,396)	1,453,013
Cash and cash equivalents at beginning of the year	2,071,367	618,354
Cash and cash equivalents at the end of the year	<u>1,810,971</u>	<u>2,071,367</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

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 2008 and for the comparative year ended 30 June 2007 have been prepared in accordance with International Financial Reporting Standards and IFRIC (International Financial Reporting Interpretations Committee) interpretations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS.

This is the first year in which the Company and Group have prepared their financial statements under IFRS. The comparatives have been restated from UK Generally Accepted Accounting Practice (UK GAAP) to comply with IFRS. At the half yearly results release the Group issued its half yearly IFRS financial statements for 2007 and the reconciliations to IFRS from previously published UK GAAP financial statements, which are summarized in note 22.

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 International Financial Reporting Standards, as adopted by the European Union ("IFRS"), including IFRS6 'Exploration for and Evaluation of Mineral Resources' and in accordance with the Companies Act 1985. The Parent Company's financial statements have also been prepared in accordance with IFRS and the Companies Act 1985.

1.3 Going concern

During the year ended 30 June 2008 the Group made a loss of £60,656 (2007 - £1,590,231). At the balance sheet date the Group had net assets of £2,498,217 (2007 - £2,558,873) and cash balances of £1,810,971. As set out in note 18 below, the Group has expected exploration expenditure of £485,000 due within one year from the balance sheet date and a further £295,000 due between one and two years. It should be noted that these are not contractual commitments required to maintain the licences, since such commitments do not exist: rather, they are intentions, which may change with the changes in the exploration programme and financial priorities of the Group.

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.

Management believes that they have appropriate levels of financing and that the Group will have sufficient cash 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

1.4 New IFRS standards and interpretations not applied

At the date of approval of these financial statements, the following Standards and Interpretations which will 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</i>
IFRS 8	Operating Segments	1 January 2009
IAS23(Amendment)	Borrowing Costs	1 January 2009

The Group does not anticipate that the adoption of these standards will have a material effect on its financial statements on initial adoption. There will be no effect on reported income or net assets.

1.5 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.

1.6 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

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 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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

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.

URANIUM RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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

	2008 £	2007 £
The Group's operating loss is stated after charging / (crediting):		
Auditors' remuneration - audit services	25,000	15,000
- review of interim results	5,000	3,350
Share-based payments charge (note 14)	-	1,149,879
Directors' remuneration (excluding share-based payments)	119,757	119,854
Foreign exchange gain	(223,481)	(89,603)
	=====	=====

4. Interest receivable

	2008 £	2007 £
Bank interest	112,298	43,840
	=====	=====

5. Taxation

	2008 £	2007 £
Current Tax		
UK corporation tax	-	-
Overseas tax	-	-
Deferred tax	-	-
	-----	-----
Total current tax charge	-	-
	=====	=====
The tax charge can be reconciled to the loss for the year as follows:		
Loss for the year	(60,656)	(1,590,231)
Tax at the standard rate of UK corporation tax of 30%	(18,197)	(477,069)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	1,694	344,964
Tax losses carried forward not yet recognised as a deferred tax asset	16,503	132,105
	-----	-----
Total current tax charge	-	-
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

5. Taxation (continued)

At the balance sheet date, the Group has unused tax losses of £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 £232,000.

6. Loss per share

The basic loss per ordinary share has been calculated using the loss for the financial year of £60,656 (2007: £1,590,231) and the weighted average number of ordinary shares in issue of 291,000,000 (2007: 247,848,219).

The diluted loss per share has been calculated using a weighted average number of shares in issue and to be issued of 302,415,094 (2007: 260,552,740). 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 230 of the Companies Act 1985, the Parent Company has not presented an income statement. A loss for the year ended 30 June 2008 of £60,656 (2007: £1,588,250) has been included in the consolidated income statement.

8. Directors' emoluments

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

	2008	2007
	£	£
Wages, salaries and fees	108,000	110,000
Social security costs	11,757	9,854
Share-based payments charge (note 14)	-	824,918
	<hr/>	<hr/>
	119,757	944,772
	<hr/> <hr/>	<hr/> <hr/>

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

Further details of the Directors' emoluments are shown in the Directors' Report.

URANIUM RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

9. Exploration and evaluation assets

Group	Exploration and evaluation expenditure £
Cost	
At 1 July 2006	391,178
Additions for 2007	118,493

At 1 July 2007	509,671
Additions for 2008	198,582

At 30 June 2008	708,253

Amortisation and impairment	
At 1 July 2006	-
Charge for 2007	-

At 1 July 2007	-
Charge for 2008	-

At 30 June 2008	-

Net book value	
At 30 June 2008	708,253
	=====
At 30 June 2007	509,671
	=====

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 has 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.

URANIUM RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

10. Investments in subsidiary undertakings

Company	Loans to subsidiary undertakings £	Shares in subsidiary undertakings £	Total £
Cost			
At 1 July 2007	161,651	350,001	511,652
Additions	198,582	-	198,582
	<u> </u>	<u> </u>	<u> </u>
At 30 June 2008	<u> 360,233 </u>	<u> 350,001 </u>	<u> 710,234 </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 2008 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

	2008		2007	
	Group £	Company £	Group £	Company £
Other receivables	3,336	3,336	3,366	3,366
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

URANIUM RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

12. Trade and other payables

	2008		2007	
	Group £	Company £	Group £	Company £
Trade payables	5,363	5,363	2,610	2,610
Accruals	19,010	19,010	22,921	22,921
	<u>24,373</u>	<u>24,373</u>	<u>25,531</u>	<u>25,531</u>

13. Share capital and share options

	2008 £	2007 £
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 (2007 - 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 2008.

The details of share options outstanding at 30 June 2008 are as follows:

	Number of share options
At 1 July 2007	35,000,000
Granted during the year	-
Cancelled during the year	-
	<u>35,000,000</u>
At 30 June 2008	<u>35,000,000</u>

Date of grant	Number of options	Option price	Exercisable between
28 November 2006	15,000,000	2.5p	Up to 28 November 2011
28 November 2006	15,000,000	5p	Up to 28 November 2011
15 April 2007	2,500,000	2.5p	Up to 28 November 2011
15 April 2007	2,500,000	5p	Up to 28 November 2011
	<u>35,000,000</u>		

The Company's share price ranged between 2.88p and 8.25p during the year. The closing share price as at 30 June 2008 was 2.88p per share.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**
14. Share-based payments

	2008	2007
	£	£

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	-	1,149,879
	-	1,149,879

The above charge for 2007 is based on the requirements of IFRS 2 on share-based payments. For this purpose, the weighted average estimated fair value for the share options granted was calculated using a Black-Scholes option pricing model. The volatility measured at the standard deviation of expected share price return is based on statistical analysis of the share price over the period to 30 June 2007, calculated at 348%. The risk free rate was 5.75%. The estimated fair values and other details which were processed into the model are as follows:

Number of options	Grant date	Option price	Fair value	Expected exercise between
15,000,000	28 November 2006	2.5p	2.75p	Up to 28 November 2011
15,000,000	28 November 2006	5p	2.75p	Up to 28 November 2011
2,500,000	15 April 2007	2.5p	6.5p	Up to 28 November 2011
2,500,000	15 April 2007	5p	6.5p	Up to 28 November 2011

15. Reconciliation of movements in shareholders' funds - equity interests

	30 June 2008		30 June 2007	
	Group £	Company £	Group £	Company £
Loss for the year	(60,656)	(60,656)	(1,590,231)	(1,588,250)
Share placings less costs	-	-	2,000,000	2,000,000
Share-based payments (note 14)	-	-	1,149,879	1,149,879
	(60,656)	(60,656)	1,559,648	1,561,629
(Decrease)/increase in shareholders' funds	(60,656)	(60,656)	1,559,648	1,561,629
Opening shareholders' funds	2,558,873	2,560,854	999,225	999,225
	2,498,217	2,500,198	2,558,873	2,560,854
Closing shareholders' funds	2,498,217	2,500,198	2,558,873	2,560,854

16. Decommissioning expenditure

The Directors have considered the need for any necessary provision for the cost of rectifying any environmental damage, as might be required under local legislation and the Group's licence obligations. In their view, no provision is necessary at 30 June 2008, for any future costs of decommissioning or any environmental damage.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

17. Financial instruments

Interest rate risk

At 30 June 2008 the Group had Australian Dollar cash deposits of a Sterling equivalent of £1,660,887 (2007: £1,574,526). 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 2008 £	Fixed interest rate 30 June 2008 £	Floating interest rate 30 June 2007 £	Fixed interest rate 30 June 2007 £
<i>Financial assets:</i>				
Cash at bank	151,371	1,660,887	1,685,582	385,785

The effective weighted average interest rate was 3%.

Financial liabilities

At 30 June 2008, 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

18. Future exploration expenditure

The Group has expected exploration expenditure, as set out below. It should be noted that these are not contractual commitments required to maintain the Group's licences, as such commitments do not exist. Rather, they are intentions, which may change with the changes in the exploration programme and financial priorities of the Group.

	30 June 2008		30 June 2007	
	Group £	Company £	Group £	Company £
As at the balance sheet date the expected aggregate amount is:				
Within not more than one year	485,000	485,000	267,215	267,215
Between one and two years	295,000	295,000	649,538	649,538
	780,000	780,000	916,753	916,753
	780,000	780,000	916,753	916,753

19. Events after the balance sheet date

There were no significant events subsequent to 30 June 2008, except that the Company granted 34 million share options to the two new directors appointed on 24 July 2008 at exercise prices ranging from 5p to 35p with expiry date of 23 July 2013.

20. Control

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

21. Related party transactions and compensation of key management personnel

John Bottomley, the secretary of the Company is an employee of Sprecher Grier Halberstam LLP, a firm of solicitors. This partnership was paid a sum of £39,155 (2007: £24,758) in respect of legal and secretarial services to the Company during the year ended 30 June 2008.

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.

	2008 £	2007 £
Short-term employee benefits	119,757	119,854
Share-based payments	-	824,918
	119,757	944,772
	119,757	944,772

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

22. Transition from UK GAAP to IFRS

The Company and Group is presenting its audited results under IFRS for the first time in these financial statements, with a transition date of 1 July 2006.

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 the year ended 30 June 2007, therefore, no financial information is shown below for the Company.

A summary of the key impacts of IFRS transition on the Group Income Statement and Balance Sheet are as follows:-

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

22. Transition from UK GAAP to IFRS (continued)

Statement of directors' responsibilities

The Directors consider, in preparing the IFRS financial statements, 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 and policies which have been adopted when preparing the first complete set of IFRS financial statements for the year ended 30 June 2008.

Balance sheet at 1 July 2006 (date of transition)

	UK GAAP	Effect of transition to IFRS	IFRS
	£	£	£
Assets			
Non-current assets			
Intangible assets (note below)	363,470	27,708	391,178
Current assets			
Trade and other receivables	2,182	-	2,182
Cash and cash equivalents	618,354	-	618,354
	620,536	-	620,536
Total assets	984,006	27,708	1,011,714
Liabilities			
Current liabilities			
Trade and other payables	(12,489)	-	(12,489)
Total liabilities	(12,489)	-	(12,489)
Net assets	971,517	27,708	999,225
Equity			
Share capital	211,000	-	211,000
Share premium	1,174,360	-	1,174,360
Retained losses	(413,843)	27,708	(386,135)
Total equity and reserves	971,517	27,708	999,225

The intangible assets arose on the acquisition of the Company's subsidiary "Deep Yellow Tanzania Limited ("DYT") in 2006. At the date of the acquisition DYT owned five uranium prospecting licenses in Tanzania. As the fair values of those licenses could not be measured reliably, the intangible assets purchased were subsumed within the purchase price, originally attributed to goodwill. During the year ended 30 June 2007 the Directors reconsidered this treatment and reclassified the goodwill as license costs within the Exploration & Evaluation assets (note 9) and the goodwill amortised in the prior year was reversed in 2007.

URANIUM RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

22. Transition from UK GAAP to IFRS (continued)

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

22. Transition from UK GAAP to IFRS (continued)

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

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

As the UK GAAP financial statements were adjusted in the year ended 30 June 2007 to reverse the amortisation of goodwill (see notes to the balance sheet at date of transition above), the IFRS adjustment at the transition date has been reversed in this income statement.

Cash flow statement

There were no changes to the cash flow statement resulting from the transition from UK GAAP to IFRS for the comparative annual period, apart from presentational changes. Therefore, no reconciliations from UK GAAP to IFRS are shown above for the cash flow statement.