W Resources

Annual Report 2013

REPORT OF THE DIRECTORS AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 FOR W RESOURCES PLC

Highlights

- **La Parrilla Mine** - JORC inferred resource increased by 30% to 46.92Mt at 0.09% WO_3 following resource review by Golder Associates.
- Full title transferred in August 2013 and new exploration target identified to further increase JORC resource with drilling planned in 2014.
- **La Parrilla Tailings** - Construction of the Tailings processing facility started in Q3 2013 and completed in Q1 2014.
- Tungsten concentrate off-take discussions initiated with strong market demand.
- **Portalegre -** Two encouraging soil sampling programmes conducted in H2 2013.
- **Tarouca -** High value tungsten targets identified in a detailed exploration programme. Drilling programme started in February 2014.
- **Régua -** Conceptual Mine study by Golder Associates completed and three-year Trial
- Mining Licence approved by the Portuguese Department of Geology and Energy (DGEG) in December 2013, expected approval from the Secretary of State for Energy in 2014.
- **Funding** - Raised £4.5m in 2013 with cash at bank at 31 December 2013 of £1.4m
- **Costs** - Maintained low costs during 2013 with a loss after taxation of £253,413 (2012: £405,224).

Chairman of W, **Michael Masterman** commented: "2013 was a transformative year for W Resources, putting us in the strong position to start 2014 with our first tungsten production in Q2. Full title at the La Parrilla Mine was transferred and we are excited about the exploration potential we have subsequently identified. The Portuguese explorations assets are progressing well and we look forward to a busy year across all of the Company's assets in 2014, and in particular our most notable achievement is having migrated to a production and exploration company."

W Resources

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COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2013

DIRECTORS:	M G Masterman M V Garland (Resigned 26 February 2014) Dr B Pirola
SECRETARY:	Cargil Management Services Limited
REGISTERED OFFICE:	22 Melton Street London NW1 2BW
REGISTERED NUMBER:	4782584 (England and Wales)
BANKERS:	HSBC Bank Plc 46 The Broadway Ealing London W5 5JZ
SOLICITORS:	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street Perth, WA 6000 Australia Beralt Espana S.A. Paseo Marquesa de Viuda de Albama, 52 28109 Alcobendas (Madrid) Spain
REGISTRARS:	Share Registrars Limited Suite E, First Floor 9 Lion & Lamb Yard Farnham GU9 7LL
AUDITORS:	Chapman Davis LLP 2 Chapel Court London SE1 1HH
NOMINATED ADVISER:	Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU
FINANCIAL PR:	Gable Communications 34 Lime Street London EC3M 7AT

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

W Resources has had an exceptional year delivering strong results on both the development and exploration fronts.

- La Parrilla tailings processing plant is now in production and will deliver revenue and profit contributions in 2014
- The La Parrilla mine in Spain and the Régua mine in Portugal are progressing development evaluations with solid results and resource growth
- Exploration success continues with the Tarouca tungsten project and the Crato Assumar Arronches (CAA) / Portalegre copper / gold exploration project both in Portugal

SPAIN

La Parrilla Tailings Deposit

Significant progress was made at the tailings deposit in 2013, with final concentrate grades exceeding expectations. The final concentrate specifications completed by ALS Chemex Vancouver labs in January 2014, supports grades of over 60% WO_3 (tungsten trioxide) and 8% Sn (tin), with the WO_3 grade of 63% being significantly higher than the Company's target level of 50% WO_3.

Following completion of the testing and commissioning of the pre-concentration and concentration plants initial production of tungsten concentrate from La Parrilla Tailings project has commenced. Testing of the pre-concentration plant has confirmed its capability to produce sufficient material to meet the concentration plant input capacity, and stockpiles have been built up in advance. It is anticipated to take another three to six weeks to fine tune operation of the concentrate plant and then steadily bring it up to full production rates.

Annual plant feed is expected to be circa 330,000 tonnes and annual production is anticipated to be ~ 28,000 MTU WO_3 and 26 tonnes Sn; yielding an anticipated annual revenue of more than €7 million at current tungsten and tin prices.

The Company is currently negotiating off take agreements with a number of potential customers for its La Parrilla tailings tungsten concentrate and initial market reaction is very positive.

La Parrilla Mine Project

The Australasian Joint Ore Reserves Committee (JORC) Inferred Resource of the La Parrilla mine was increased by 30% (46.92Mt at 0.09% WO_3 for contained metal of 39,882 tonnes WO_3) in June 2013, following an extensive resource review by Golder Associates Pty Ltd (Golder).

Furthermore, W has now identified an exploration target adjacent to the existing pit in the order of 13-18Mt at 0.06%-0.08% WO_3, where targeted drilling is planned to considerably increase the JORC resource at La Parrilla.

Following the successful La Parrilla drilling programme extension in Q1 2013 and the exceptional Golder resource evaluation of the mine and its development potential, the decision to move to full title ownership was taken by the Company.

Subsequently in August 2013, full title of the La Parrilla Mining concession was transferred to the Company for a consideration of €900,000 in accordance with the existing option agreement. Following this initial payment, W will make two further payments of €1.3 million in Q3 2014 and of €500,000 in Q3 2015.

PORTUGAL

Tarouca

A detailed exploration programme (which consisted of detailed mapping and sampling of old workings, mineral occurrences and mineralised outcrops and trenching) was successfully completed in 2013 at the Tarouca exploration licence located 140km East of Porto.

The grab samples produced exceptional grades of 2.5%, 5.8%, and 9.4% WO_3 and trenches returned 7.2 metres of 0.86% WO_3, including 6.0 metres at 1.02%. The overall programme delivered strong results with 7.6% of the 250 samples assayed being in excess of 0.3% WO_3.

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013 (Continued)

After identifying the high value targets at Tarouca, the Company commenced the drilling programme in February 2014 with the first hole intersecting tungsten mineralisation at 15 metres. The programme is expected to be completed over a four month period (weather permitting).

CAA / Portalegre

In addition to the excellent results from a soil sampling programme conducted over a six month period in 2013, W has also recently identified a number of high grade copper-gold surface samples at the CAA area of the Portalegre project in Portugal.

The gold grades from the recent sampling programme included 1.385 g/t and 0.881 g/t and indicated good surface samples of copper including 0.77% and 0.43%. Other notable metal contents are; 833 g/t Ag (silver), 2.38% Pb (lead), 1.60% Zn (zinc), 254 ppm Mo (molybdenum) and 840 ppm W (tungsten).

Régua

In March 2013, Golder completed a Conceptual Mine study for the Régua deposit and the Company has applied for a 3-year Trial Mining Licence. This licence was approved by the DGEG in December and is now awaiting the approval of the Portuguese Secretary of State for Energy, which W is confident it will receive in the near future.

Corporate

Mr Michael Garland resigned as a Director of the Company in February 2014. The Board would like to thank Michael for his significant contribution, fantastic support and commitment to W over the past 10 years. The Board is currently in the process of recruiting an appropriate replacement for Mr Garland and W anticipates making a further announcement in this regard in due course.

Finance

During 2013, W completed five capital placements totalling £4,496,000. The funds raised were used as working capital, to finance the construction of the La Parrilla tailings processing facilities and to fund the first phased payment for the La Parrilla mining title.

The Company recorded a loss after taxation of £253,413 for the 2013 financial year, compared to £405,224 in 2012. The decrease in loss after taxation was mainly due to the impairment adjustment made at 31 December 2012 to write down the value of its associate Black Gold to zero; otherwise expenses remained largely in line with 2012.

Outlook

2014 is a pivotal year for W Resources as the focus for the year ahead is on production and profits from the new La Parrilla tailings facility, fast track evaluation and development of the La Parrilla and Régua mines, and exploration at the highly prospective Tarouca and CAA / Portalegre licences.

The team has done an exceptional job building and commissioning the tailings facility and advancing our other projects. I would like to take the opportunity to thank the dedicated W team for their extraordinary commitment to the Company during 2013, especially those involved in the round the clock efforts at La Parrilla in Spain.

Michael Masterman

Michael Masterman
Chairman
W Resources Plc
24 April 2014

"The technical information contained in the W Resources Plc Chairman's Statement was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported."

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2013

The Directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2013.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of tungsten exploration and development through its 100% subsidiaries Iberian Resources Spain SL and Australian Iron Ore Plc (and its 100% subsidiary, Iberian Resources Portugal LDA).

REVIEW OF BUSINESS

The results for the year and the financial position of the Group and the Company at the year-end are as shown in the annexed financial statements.

Detailed reviews of activities, business developments and projects are included within the Chairman's Statement.

DIVIDENDS

No dividend will be distributed for the year and the retained loss transferred to reserves for the year will be £253,143 together with a translation loss of £98,937 transferred to Translation Reserve.

DIRECTORS

The Directors during the year under review were:

M G Masterman	-	Chairman
M V Garland	-	Non-Executive Director (Resigned 26 February 2014)
Dr B Pirola	-	Non-Executive Director

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Michael Masterman

Chairman

Mr Masterman has an exceptional track record in establishing and financing new resources companies. He is currently CEO of Fortescue Metal Group’s majority-owned FMG Iron Bridge iron ore company and recently completed the US$1.15bn sale of a 31% interest in the project to Formosa Plastics Group. Following 9 years at McKinsey, and 8 years as an Executive Director of Anaconda Nickel, he has been a founding shareholder at Fortescue Metal Group, Po Valley Energy and Atacama Metals.

Byron Pirola

Non-Executive Director

Director of Port Jackson Partners Limited, a Sydney based strategy management consulting firm. Prior to joining Port Jackson Partners in 1992, Byron spent 6 years with McKinsey & Company working out of the Sydney, New York and London Offices and across the Asian Region. He has extensive experience in advising CEOs and boards of both large public and small developing companies across a wide range of industries and geographies. Byron is a Non-Executive Director of Po Valley Energy Limited.

Director's Remuneration

The Directors waived their fees for the year under review.

Directors Service Contracts

All Directors' contracts run until the next Annual General Meeting ("AGM") of the Company where all Directors are required to resign by rotation. There is a 3 month notice period for all Directors. Upon re-election at the AGM, a Director's contract automatically renews for a further 12 months.

All Directors have access to the advice and services of the Company's solicitors and the Company Secretary who is responsible for ensuring that all Board procedures are followed. Any Director may take independent professional advice at the Company's expense in the furtherance of his duties.

RETIREMENT BY ROTATION

One third of the Board of Directors retires at every AGM of the Company and is automatically put forward for re-election, unless otherwise voted upon by shareholders.

THE AUDIT COMMITTEE

Prior to 26 February 2014, the Audit Committee, which met no less than twice a year in order to consider the Group's financial reporting (including accounting policies) and internal financial controls, was chaired by Mr Michael Garland, Non-Executive Director. The Audit Committee is responsible for ensuring that the financial performance of the Group is properly monitored and reported on. The Committee intends to receive reports from management and the external auditors as required. The Board is currently in the process of selecting a new Chairman for the Audit Committee and a further announcement will be made in this regard in due course.

SIGNIFICANT SHAREHOLDERS

As at the date of the approval of the accounts the company had been notified of the following interests of 3% or more held in the Company's issued share capital:

Shareholders	Shares	Percent
M Masterman *	541,815,637	25.96
H Gibson *	207,278,702	9.93
Beronia Investments Pty Ltd (Dr B Pirola) **	139,959,749	6.70
C Hall	77,000,000	3.69
M Garland	74,902,563	3.59

* Related party
** Includes related party interests

CORPORATE GOVERNANCE

The Company is continually developing appropriate corporate governance procedures relevant to the size and stage of its development. The following description of corporate governance procedures reflects the Company's present policies in this area.

THE BOARD OF DIRECTORS

The Board of Directors is currently composed of two members; one Executive Director and one Non-Executive Director including the Chairman, Michael Masterman (Executive Director), who has a wealth of minerals exploration and development experience; the Non-Executive Director (Dr Byron Pirola) similarly has a wealth of experience either in the minerals industry or in finance and corporate development. The Board is currently in the process of recruiting a third Director for the Board and a further announcement will be made in this regard in due course. The structure of the Board ensures that no one individual or Group dominates the decision-making process.

BOARD MEETINGS

The Board meets on a regular basis, providing effective leadership and overall management of the Group's affairs through the schedule of matters reserved for its decision. This includes the approval of the Company's forecast and budget, major capital expenditure, risk management policies and the approval of the financial statements. Formal agendas, papers and reports are sent to the Directors in a timely manner, prior to Board meetings. The Board delegates certain responsibilities to the Board committees which have clearly defined terms of reference, which is listed below.

THE REMUNERATION COMMITTEE

The Remuneration Committee, comprised of the Non-Executive Directors Dr Byron Pirola (Chair) and Mr Michael Garland prior to 26 February 2014. The Remuneration Committee met at least once a year and was responsible for making recommendations to the Board of Directors, on senior Executives' remuneration. Non-Executive Directors' remuneration and conditions of engagement were considered and agreed by the Board. Financial packages for Executive Directors were established by reference to prevailing market conditions and performance of each Executive Director. The Board is currently in the process of recruiting a third Director for the Board and a further announcement will be made in this regard in due course.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2013 (Continued)

INTERNAL CONTROLS

The Directors acknowledge their responsibility for the Company's system of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Company and to ensure the reliability of financial information for external publication. Since the Company was formed, the Directors have been satisfied that, given the current size and activities of the Company, adequate internal controls have been established. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of increased activity and further development of the Company, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

ENVIRONMENTAL RESPONSIBILITY

The Company recognises its role as a mining and exploration company and is aware of the potential impact that its subsidiary company may have on the environment. The Company ensures that its subsidiary companies comply with the local regulatory requirements with regard to the environment.

RELATIONS WITH SHAREHOLDERS

The Board attaches great importance to maintaining good relationships with its shareholders. Extensive information about the Company's activities is included in the Annual Report and accounts will be sent to all shareholders. Market sensitive information is regularly released to all shareholders concurrently in accordance with the AIM Rules for Companies. The AGM will provide an opportunity for all shareholders to communicate with and to question the Board on any aspect of the Group's activities. The Company maintains a corporate website www.wresources.co.uk where information on the Company is regularly updated and all announcements are posted. The Company welcomes communication from both its private and institutional shareholders.

The Notice of the Company's AGM will be distributed to shareholders together with the Annual Report in due course. Full details of the Resolutions proposed at that meeting will be found within the Notice.

SUPPLIER PAYMENT POLICY

It is the Company's policy to settle the terms of payment with suppliers when agreeing terms of the transaction, to ensure that suppliers are aware of these terms and to abide by them.

EVENTS SINCE THE BALANCE SHEET DATE

Michael Garland resigned as a Director on 26 February 2014.

Initial production of tungsten concentrate from the La Parrilla Tailings project commenced in April 2014.

FINANCIAL RISK, MANAGEMENT OBJECTIVES AND POLICIES

The Group uses various financial instruments. These include cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

The existence of these financial instruments exposes the Company to a number of financial risks, which are described in more detail below. The Directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Price Risk

The Directors, consider that the price of tungsten is an area of potential risk. This is reviewed on a constant basis by the Board and Senior Management.

Liquidity Risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Currency Risk

The Group principally operates in £ and €. It does not currently consider the risk of exposure to be material. As such the Directors do not currently consider it necessary to enter into forward exchange contracts. This situation is monitored on a regular basis.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2013 (Continued)

GOING CONCERN

The Directors are satisfied that the Group has sufficient resources to continue its operation and to meet its commitments in the foreseeable future. The financial statements have therefore been prepared on the going concern basis.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted for use in the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

AUDITORS

The auditors, Chapman Davis LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Michael Masterman

Mr M Masterman
Chairman
W Resources Plc
24 April 2014

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF W RESOURCES PLC

We have audited the financial statements of W Resources Plc for the year ended 31 December 2013 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. 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

As explained more fully in the Statement of Directors' Responsibilities included in the Directors` Report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent company's affairs as at 31 December 2013 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the information given in the Director's Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Rowan J. Palmer (Senior statutory auditor)
For and on behalf of Chapman Davis LLP, Statutory Auditor
Chartered Accountants
Chapman Davis LLP
2 Chapel Court
London SE1 1HH
24 April 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

The notes form part of these financial statements

	Notes	2013 £'000s	2012 £'000s
CONTINUING OPERATIONS			
Revenue		-	-
Cost of Sales		-	-
GROSS LOSS		-	-
Administrative expenses		(253)	(294)
OPERATING LOSS		(253)	(294)
Negative Goodwill on Acquisition of Subsidiary	8	-	-
Impairment of Associate	8	-	(111)
LOSS BEFORE INCOME TAX	4	(253)	(405)
Income tax	5	-	-
LOSS FOR THE YEAR		(253)	(405)
Loss attributable to:			
Owners of the parent		(253)	(405)
Earnings per share expressed in pence per share:	7		
Basic		(0.014)p	(0.03)p
Diluted		(0.014)p	(0.03)p
LOSS FOR THE YEAR		(253)	(405)
Transfer to Translation Reserve		(99)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(352)	(405)
Total comprehensive income attributable to:			
Owners of the parent		(352)	(405)
Non-controlling interests		-	-

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2013

The notes form part of these financial statements

	Notes	2013 £'000s	2012 £'000s
ASSETS			
NON-CURRENT ASSETS			
Investment in Associate	8	-	-
Intangible Fixed Assets	9	5,437	2,548
Tangible Fixed Assets	10	1,448	15
		6,885	2,563
CURRENT ASSETS			
Trade and other receivables	11	599	161
Cash and cash equivalents	12	1,424	674
		2,023	835
TOTAL ASSETS		8,908	3,398
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	13	2,087	1,582
Share premium		16,075	12,292
Retained earnings		(12,090)	(11,837)
Merger Reserve		909	909
Translation Reserve		(99)	-
TOTAL EQUITY		6,882	2,946
LIABILITES			
CURRENT LIABILITIES			
Trade and other payables	14	1,610	452
NON CURRENT LIABILITIES			
Trade and Other payables	14	416	-
TOTAL LIABILITIES		2,026	452
TOTAL EQUITY AND LIABILITIES		8,908	3,398

The financial statements were approved by the Board of Directors on 24 April 2014 and were signed on its behalf by:

Michael Masterman

Mr M Masterman
Chairman
W Resources Plc

COMPANY STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2013

The notes form part of these financial statements

	Notes	2013 £'000s	2012 £'000s
ASSETS			
FIXED ASSET INVESTMENTS	8	1,520	1,520
CURRENT ASSETS			
Trade and other receivables	11	4,437	1,045
Cash and cash equivalents	12	1,238	497
		5,675	1,542
TOTAL ASSETS		7,195	3,062
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	13	2,087	1,582
Share premium		16,075	12,292
Retained earnings		(12,086)	(11,861)
Merger Reserve		909	909
TOTAL EQUITY		6,985	2,922
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	210	140
TOTAL LIABILITIES		210	140
TOTAL EQUITY AND LIABILITIES		7,195	3,062

The financial statements were approved by the Board of Directors on 24 April 2014 and were signed on its behalf by:

Michael Masterman

Mr M Masterman
Chairman
W Resources Plc

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2013

The notes form part of these financial statements

	Called up share capital £'000s	Profit and loss account £'000s	Share premium £'000s	Merger Reserve £'000s	Translation Reserve £'000s	Total Equity £'000s
Balance at 1 January 2012	811	(11,432)	11,244	385	-	1,008
Changes in equity						
Issue of share capital	771	-	1,048	524	-	2,343
Total comprehensive income	-	(405)	-	-	-	(405)
Balance at 31 December 2012	1,582	(11,837)	12,292	909	-	2,946
Changes in equity						
Issue of share capital	505	-	3,783	-	-	4,288
Total comprehensive income	-	(253)	-	-	(99)	(352)
Balance at 31 December 2013	2,087	(12,090)	16,075	909	(99)	6,882

COMPANY STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2013

The notes form part of these financial statements

	Called up share capital £'000s	Profit and loss account £'000s	Share premium £'000s	Merger Reserve £'000s	Total Equity £'000s
Balance at 1 January 2012	811	(11,538)	11,244	385	902
Changes in equity					
Issue of share capital	771	-	1,048	524	2,343
Total comprehensive income	-	(323)	-	-	(323)
Balance at 31 December 2012	1,582	(11,861)	12,292	909	2,922
Changes in equity					
Issue of share capital	505	-	3,783	-	4,288
Total comprehensive income	-	(225)	-	-	(225)
Balance at 31 December 2013	2,087	(12,086)	16,075	909	6,985

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

The notes form part of these financial statements

	Notes	2013 £'000s	2012 £'000s
Cash flows from operating activities			
Cash absorbed by operations	1	(3,538)	(1,197)
Cash flows from investing activities			
Cash acquired on Acquisition of Subsidiary		-	183
Investment in associates and subsidiary		-	(11)
Net cash from investing activities		-	172
Cash flows from financing activities			
Share Placements		4,288	1,478
Net cash from financing activities		4,288	1,478
Increase in cash and cash equivalents		750	452
Cash and cash equivalents at beginning of year		674	222
Cash and cash equivalents at end of year		1,424	674

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

The notes form part of these financial statements

	Notes	2013 £'000s	2012 £'000s
Cash flows from operating activities			
Cash absorbed by operations	1	(3,547)	(1,201)
Cash flows from financing activities			
Share Placements		4,288	1,477
Net cash from financing activities		4,288	1,477
Increase in cash and cash equivalents		741	276
Cash and cash equivalents at beginning of Year		497	221
Cash and cash equivalents at end of year		1,238	497

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NOTES TO THE CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH ABSORBED BY OPERATIONS

	2013 £'000s	2012 £'000s
GROUP		
Loss before income tax	(253)	(405)
Depreciation	13	7
Impairment of Associate	-	111
Exchange difference	(139)	
Performance Related Share Award	-	57
	(379)	(230)
Acquisitions of Intangible Fixed Assets	(1,366)	(924)
Acquisitions of Tangible Fixed Assets	(1,433)	-
(Increase) in trade and other receivables	(438)	(131)
Increase in trade and other payables	78	88
Cash absorbed by operations	(3,538)	(1,197)
COMPANY		
Loss before Income Tax	(224)	(323)
Impairment of Associate	-	111
Performance Related Share Award	-	57
	(224)	(155)
(Increase) in Trade and other receivables	(3,392)	(1,040)
Increase / (Decrease) in Trade and other payables	69	(6)
Cash absorbed by operations	(3,547)	(1,201)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

Accounting judgements and estimation uncertainty

The preparation of the financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Information about significant areas of estimation uncertainty that have the most significant effect on the amounts recognised in the financial statements are described within the relevant accounting policies.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company, Iberian Resources Spain SL, Australian Iron Ore Plc, Iberian Resources Portugal LDA and Caspian USA Inc (a subsidiary although that company did not trade during the year under review). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so to obtain benefits from its activities. The financial statements of the subsidiary is included in the consolidated financial statements from the date that control commences until the date that control ceases.

Joint operations are activities where the Group has joint control, established by contractual agreement. The consolidated financial statements include the Group's share of the entities' assets, liabilities, revenue and expenses with items of similar nature on a line by line basis, from the date that joint control commences until joint control ceases.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

The Group share of the losses of any associated companies are included in the loss for the year.

Presentation of financial statements

The Group applies revised IAS 1, "Presentation of Financial Statements" which became effective as of 1 July 2012. As a result the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income.

Entities are permitted to choose whether to present one performance statement (the statement of comprehensive income) or two statements (the incoming statement and the statement of comprehensive income). The Group has elected to present one statement.

W Resources Plc (the "Company") is a company domiciled in the United Kingdom and incorporated in England. The financial information of the Company and of the Company and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2013 are presented in the functional currency, Sterling £'000s.

The Group financial statements consolidate those of the Company and its subsidiaries. The parent company financial statements present, in addition, information about the Company as a separate entity in publishing the parent company financial statements together with the Group financial statements, the Company has taken advantage of the exemption in Section 408 (4) of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

The financial statements were authorised for issue by the Directors on 24 April 2014.

Statement of compliance

Both the parent company financial statements and the Group financial statements have been prepared and approved by the Directors in accordance with international Financial Reporting Standards and their interpretation as adopted by the EU ("adopted IFRS").

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

1. ACCOUNTING POLICIES (Continued)

The most recently issued standards and interpretations from the IASB and IFRIC are:

- Amendment to IAS 1, 'Presentation of financial statements – Presentation of items of other comprehensive income' – *Effective 1 July 2012*
- IFRs 13, 'Fair value measurement' – *Effective 1 January 2013*
- IAS 19 (revised), 'Employee benefits' – *Effective 1 January 2013*
- Amendment to IFRS 1, 'First-time adoption of International Financial Reporting Standards – government loans – *Effective 1 January 2013*
- Amendment to IFRS 7, 'Financial instruments: Disclosures – Offsetting financial assets and financial liabilities' – *Effective 1 January 2013*
- IFRIC 20, 'Stripping costs in the production phase of a surface mine' – *Effective 1 January 2013*
- Annual Improvements 2011 – *Effective 1 January 2013*

Forthcoming standards and interpretations are:

- IFRS 10, 'Consolidated financial statements' – *1 January 2014*
- IFRS 11, 'Joint arrangements' – *1 January 2014*
- IFRS 12, 'Disclosure of interests in other entities' – *1 January 2014*
- Amendments to IFRS 10, IFRS 11 and IFRS 12 – Transition guidance – *1 January 2014*
- IAS 27 (revised), 'Separate financial statements' – *1 January 2014*
- IAS 28 (revised), 'Investments in associates and joint ventures' – *1 January 2014*
- Amendment to IAS 32, 'Financial instruments: Presentation' – Offsetting financial assets and financial liabilities – *1 January 2014*
- Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment entities – *1 January 2014*
- Amendments to IAS 36, 'Impairment of assets' – Recoverable amount disclosures for non-financial assets – *1 January 2014*
- Amendment to IAS 39, 'Financial instruments: Recognition and measurement' – Novation of derivatives and continuation of hedge accounting – *1 January 2014*
- IFRIC 21, 'Levies' – *1 January 2014*
- Amendment to IAS 19, 'Defined benefit plans: Employee contributions' – *1 July 2014*
- Amendment to IFRS 9, 'Financial instruments: Hedge accounting and amendments to IFRS 7 and IAS 39 – *To be decided*
- Annual improvements 2012 – *1 January 2014*
- Annual improvements 2013 – *1 January 2014*

None of the implemented or proposed standards or interpretations have any impact on the financial statements of the Group.

Business Combinations

Acquisition of subsidiaries or businesses are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in the Profit and Loss account as incurred.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

1. ACCOUNTING POLICIES (Continued)

Going Concern

The Directors are satisfied that the Group has sufficient resources to continue its operation and to meet its commitments in the foreseeable future. The financial statements have therefore been prepared on the going concern basis.

Exploration and evaluation costs

The Group has adopted IFRS 6 "Exploration for and evaluation of mineral resources".

The Group follows the successful efforts method of accounting for exploration and evaluation costs. All licence, acquisition, exploration and evaluation costs are initially capitalised as intangible fixed assets in cost centres by field pending determination of the commercial viability of the relevant prospect. Directly attributable costs not specific to any particular licence or prospect are expensed as incurred.

An exploration and evaluation asset is assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Such triggering events are defined in IFRS 6 and include the point at which a determination is made as to whether commercial reserves exist, in which case discounted future cash flow projections are prepared to assist in determining recoverable amount.

If prospects are deemed to be impaired ("unsuccessful") on completion of evaluation, the associated costs are charged to the income statement. If the prospect is determined to be commercially viable, the attributable costs are transferred to Fixed Assets in single prospect cost centres. These assets are then amortised on a unit of production basis.

Segmental Reporting

The Groups results and Net Assets are split geographically between Iberia (Spain and Portugal), the United Kingdom and the United States of America.

All costs relate to Mineral Exploration and Corporate costs, therefore no further categorisation is required.

Property, plant and equipment

All fixed assets are subject to annual impairment and fair value review.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under finance lease, over the lease term, whichever is the shorter. No depreciation has been provided on the tailings project processing plant at La Parrilla in Spain as they had not commenced operations.

Motor vehicles	5 – 10 years
Plant and equipment	3 – 10 years
Furniture and other equipment	3 – 10 years

Intangible assets

All intangible assets are subject to annual impairment and fair value review.

Amortisation is calculated and provided in order to write off each asset over its estimated useful economic life, such amortisation to commence when the asset concerned is initially used within the business.

Deferred Tax

The tax charge is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, in the future. In particular:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES (Continued)

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate. All differences are taken to the income statement.

2. SEGMENTAL REPORTING

2013	**Corporate £'000s**	**Mineral Exploration £'000s**	**Total £'000s**
By Business Segment:			
Loss for the year	(211)	(42)	(253)
Balance Sheet - Segment Asset	1,265	7,643	8,908
- Segment liabilities	(97)	(1,929)	(2,026)
Net Assets	1,168	5,714	6,882

By Geographical Sector:	**Iberia**	**UK & Corporate**	**Total**
Loss for the year	(42)	(211)	(253)
Balance Sheet - Segment assets			
- Tangibles	1,448	-	1,448
- Intangibles	5,437	-	5,437
- Other	758	1,265	2,023
- Segment liabilities	(1,929)	(97)	(2,026)
Net Assets	5,714	1,168	6,882

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2013

2. SEGMENTAL REPORTING (Continued)

2012	Corporate £'000s	Mineral Exploration £'000s	Total £'000s
By Business Segment:			
Loss for the year	(235)	(170)	(405)
Balance Sheet- Segment assets	509	2,888	3,397
Segment liabilities	(37)	(414)	(451)
Net Assets	472	2,474	2,946

By Geographical Sector:	USA	Iberia	UK & Corporate	Total
Loss for the year	(111)	(59)	(235)	(405)
Balance Sheet - Segment assets				
- Intangibles	-	2,548	-	2,548
- Other	-	340	509	849
- Segment liabilities	-	(414)	(37)	(451)
Net Assets	-	2,474	472	2,946

3. EMPLOYEES AND DIRECTORS

	2013 £'000s	2012 £'000s
Wages and salaries	-	-
The average monthly number of employees including Directors during the year was as follows		
Management & Administration	4	5
Director's remuneration	-	-

4. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging:

	2013 £'000s	2012 £'000s
Auditors Remuneration - Audit	19	12
- Non Audit services	1	-
	20	12

5. INCOME TAX

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2013 nor for the year ended 31 December 2012.

The difference between the effective provision for tax and statutory tax provision at the statutory rate is reconciled as follows:

		2013 £'000s	2012 £'000s
Loss on Ordinary Activities before Tax		(253)	(405)
Corporation Tax @ 23%		(58)	(97)
Timing Differences	Effect of Benefit of losses brought forward	(3,093)	(2,996)
	Effect of Benefit of losses carried forward	(3,151)	(3,093)

6. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £224,833 (2012 – £323,617).

7. LOSS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Basic Loss per share	**Earnings £'000s**	**2013 Weighted average number of shares**	**Per-share amount pence**
Earnings attributable to ordinary shareholders	(253)	1,844,441,008	(0.014p)
Effect of dilutive securities	-	-	-
Diluted Loss per share	(253)	1,844,441,008	(0.014p)

Basic Loss per share	**Earnings £'000s**	**2012 Weighted average number of shares**	**Per-share amount pence**
Earnings attributable to ordinary shareholders	(405)	1,177,957,816	(0.03p)
Effect of dilutive securities	-	-	-
Diluted Loss per share	(405)	1,177,957,816	(0.03p)

8. INVESTMENT IN ASSOCIATED UNDERTAKINGS

The Group or the Company's investments at the balance sheet date in the share capital of companies include the following:

Group	**2013 £'000s**	**2012 £'000s**
COST		
At 1 January 2013	-	100
Additions	-	11
Impairments	-	(111)
Exchange movement	-	-
At 31 December 2013	-	-
NET BOOK VALUE		
At 31 December 2013	-	-
At 31 December 2012	-	-

Company	**2013 £'000s**	**2012 £'000s**
Brought Forward	1,520	712
Additions during the year at Fair Value	-	808
At 31 December 2013	1,520	1,520

8. INVESTMENT IN ASSOCIATED UNDERTAKINGS (Continued)

Subsidiaries – Directly Held	Holding %	2013 £'000s	2012 £'000s
Iberian Resources Spain SL			
Country of incorporation: Spain			
Nature of business: Exploration and development of tungsten mining.			
Class of Shares: Ordinary	100		
Aggregate capital and reserves		16	97
Australian Iron Ore Plc (Group)			
Country of Incorporation: United Kingdom			
Nature of business: Exploration and development of tungsten mining			
Class of Shares: Ordinary	100		
Aggregate capital and reserves		722	781
Caspian USA Inc			
Country of incorporation: United States of America			
Nature of business: Oil Exploration			
Class of Shares: Ordinary	100		
Aggregate capital and reserves		-	-

Subsidiaries – Indirectly Held	Holding %	2013 £'000s	2012 £'000s
Iberian Resources Portugal LDA			
Country of Incorporation: Portugal			
Nature of business: Mineral Exploration			
Aggregate capital and reserves		590	660

The Company is 100% owned by Australian Iron Ore Plc

Associate

Black Gold of Kentucky Inc			
Country of incorporation: United States of America			
Nature of business: Oil Exploration			
Class of Shares: Ordinary	50.00		
Aggregate capital and reserves		-	-

Black Gold of Kentucky Inc is an associated undertaking of Caspian USA Inc.

9. INTANGIBLE FIXED ASSETS

GROUP	2013 Cost and Fair Value £'000s	2012 Cost and Fair Value £'000s
Brought forward	2,548	825
Additions on Acquisition of Subsidiary	-	799
Additions since Acquisition	2,862	924
Translation Adjustment	40	-
Less: Depreciation	(13)	-
Net Book Value at 31 December 2013	5,437	2,548

The above represents capitalised testing works and concessions costs acquired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDE3D 31 DECEMBER 2013

10. TANGIBLE FIXED ASSETS

GROUP	2013 Cost And Value £'000s	2012 Cost And Value £'000s
Plant and Machinery		
Brought forward	15	7
Additions during the year	1,433	-
Additions on Acquisition of Subsidiary	-	15
Depreciation charge for the year	-	(7)
Net Book Value 31 December 2013	1,448	15

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013 £'000s	2012 £'000s	2013 £'000s	2012 £'000s
Current:				
Amounts owed by Group Undertakings		-	4,413	1,037
VAT and other receivables	546	155	2	2
Prepayments	53	6	22	6
	599	161	4,437	1,045

12. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents consist of balances held in the Company bank accounts.

13. CALLED UP SHARE CAPITAL

Allotted and issued:

Number:	Class:	Nominal Value	2013 £'000s	2012 £'000s
2,087,418,308	Ordinary	0.1p	2,087	1,582

505,496,115 Ordinary Shares of 0.1p were issued during the year for cash as follows:

- On 30 January 2013, 122,642,855 Ordinary Shares of 0.1p each were issued at a premium of 0.70p raising £858,500.
- On 19 February 2013, 43,478,260 Ordinary Shares of 0.1p each were issued at a premium of 1.15p raising £500,000.
- On 17 April 2013, 65,000,000 Ordinary Shares of 0.1p each were issued at a premium of 1.45p raising £942,500.
- On 17 July 2013, 125,000,000 Ordinary Shares of 0.1p each were issued at a premium of 0.8p raising £1,000,000.
- On 10 December 2013, 149,375,000 Ordinary Shares of 0.1p each were issued at a premium of 0.8p raising £1,195,000.

14. SHARE WARRANTS

On 28 June 2013, the company issued warrants to its broker SI Capital (then trading as Simple CFDS Limited) conferring the right to subscribe for 10,000,000 shares at £0.0150 per share to be exercised in the period up to 28 June 2015. At the Balance Sheet date none of these rights have been exercised.

In respect of these warrants, a charge to share issue costs and the creation of a share-based payments reserve has not been effected as it is deemed not material.

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2013	**2012**	**2013**	**2012**
	£'000s	**£'000s**	**£'000s**	**£'000s**
Current:				
Amounts due to Group Undertakings	-	-	117	107
Trade creditors	494	290	77	22
Accruals and deferred income	22	17	16	11
Taxation	14	69	-	-
Other Creditors	1,080	76		-
	1,610	452	210	140
Non- Current				
Other Creditors	416	-	-	-

Included in Other Creditors is £1,080,632 (current) and £415,627 (non-current) in respect of the deferred consideration due on the acquisition of La Parrilla mine.

16. TRANSACTIONS WITH RELATED PARTIES

During the year the Directors acquired the following Ordinary 0.1p Shares:

M Masterman	20,535,714
M Garland	-
B Pirola	12,500,000

17. EVENTS AFTER THE BALANCE SHEET DATE

Michael Garland Resigned as Director on 26 February 2014.

Initial production of tungsten concentrate from the La Parrilla Tailings project commenced in April 2014.

18. FINANCIAL INSTRUMENTS

The Board of Directors determine, as required, the degree to which it is appropriate to use financial instruments to mitigate risk. Currently the Company's principal financial instruments comprise cash and equity capital.

The Company does not enter into complex derivatives to manage risk

Foreign currency risk

Foreign exchange risk arises because the Group has operations located in various parts of the world whose functional currency is not the same as the functional currency in which the Parent company is operating. The Group's net assets are exposed to currency risk giving rise to gains or losses on retranslation into sterling.

Liquidity risk

The Company's policy throughout the year has been to ensure that it has adequate liquidity by careful management of its working capital.

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