

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

FOR

W RESOURCES PLC

W RESOURCES PLC
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FOR THE SIX MONTHS TO 30 JUNE 2014

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W RESOURCES PLC
CHAIRMAN'S STATEMENT TO THE INTERIM RESULTS
FOR THE SIX MONTHS TO 30 JUNE 2014

During the first six months of 2014 and the period to date, W Resources Plc ('W' or the 'Company') had great success. The defining milestone was construction completion of its La Parrilla tungsten processing facility in March and shipment of its first tungsten concentrate production in August.

On all other projects substantial progress was made including the grant of a trial mine licence at Régua, exploration success at Tarouca and a highly prospective 9.5km copper gold anomaly was identified at Portalegre / Crato Assumar Arronches (CAA).

La Parrilla Tungsten Production and Mine Development

In Q1 2014, the Company completed the construction of the pre-concentration and concentration plants at its La Parrilla Tailings project and initial production commenced in April. In June, following a testing and commissioning period, the plants were consistently producing tungsten (WO₃) concentrate at an average content of 60% WO₃ in line with target.

The La Parrilla tailings facility is currently on track to reach target production volumes of 25 tonnes per month of 60% - 63% WO₃ and based on performance indications, there may be scope to further increase production beyond the current 25 tonne per month target which will be reassessed in October.

W announced plans to develop the world scale tungsten tailings and mine in a staged program in September, in order to maximise use of existing infrastructure, keeping initial capital costs low and target a high rate of return on invested capital. The plan is to develop La Parrilla in three stages:

- **Stage 1:** La Parrilla Tailings completed in March 2014 and in production
- **Stage 2:** Fast Track Mine in the area adjacent to the current pit utilising existing tailings and power, water and road infrastructure
- **Stage 3:** Large scale La Parrilla Mine development to a current target design level of 2,300 tonnes of WO₃ per annum

The Stage 2 – Fast Track Mine definition work is already underway to outline the mine plan, metallurgical process, infrastructure and capital and operating costs. The study is expected to be completed by the end of 2014 with approvals received in 2015.

Regua – Tarouca Hub Tungsten Development and Exploration

Régua Development

Golder completed a Conceptual Mine study for the Régua deposit in March 2013 and the Company was awarded a 4-year Trial Mining Licence on 23 June 2014. The trial mining licence now paves the way for W to continue with its drilling programme and metallurgy testing on the project and commence initial mining.

Tarouca Exploration

Between April and June 2014, W Resources drilled 15 holes at the Tarouca drilling programme which delineated high grade zones close to the surface. Hole TAD021 intersected high grade mineralisation over 3.29 metres at 1.13% WO₃ from 54.55 metres.

Initial evaluation of the recent results, together with the results of the early drilling and sampling programmes have highlighted an outstanding exploration target in the North-Eastern area of the licence between Hole TAD007 and Hole TAD021. W will consolidate and appraise the data with the aim for further targeted drilling in the New Year.

Copper Gold Exploration: Portalegre / CAA

In April 2014, the Company identified a number of encouraging copper-gold surface values in a rock sampling programme in its CAA area in Portalegre. Gold grades included 1.385 g/t and 0.881 g/t and good surface sample grades of copper included 0.77% and 0.43%.

W RESOURCES PLC
CHAIRMAN'S STATEMENT TO THE INTERIM RESULTS
FOR THE SIX MONTHS TO 30 JUNE 2014 (CONT'D)

The soil sampling results also identified a 9.5 km long target structure copper-gold anomaly from the same CAA area, with encouraging gold values up in excess of 1000 ppb. The Company is awaiting assay results and analysis from subsequent trenching work along the 9.5 km anomaly which will be released in due course.

Finance

During the first six months of 2014, W completed one capital placement totalling £776,000. The funds raised were used as working capital and to finance the construction of the La Parrilla tailings processing facilities.

The Company recorded a loss after taxation of £119,000 in the six months to 30 June 2014, compared to £132,000 in the six months to 30 June 2013.

Current Trading and Outlook

Following the financial reporting period the Company has continued to make very good progress:

- First shipment of tungsten concentrate and receipt of proceeds was achieved on 8 August 2014 – a very significant milestone
- Production at La Parrilla Tailings has continued to increase and is in line to reach target production levels of 25 tonnes per month in October
- A €1.3m trailing payment on the acquisition of the La Parrilla Mine was made in August. W Resources has full title to La Parrilla. This was financed by a £1.2m placement completed in July 2014
- As part of our strategy for the staged development of our La Parrilla asset, mine definition work has commenced on the main 2,300 tonne per annum tungsten mine development

We have continued to maintain the pace of progress across our assets whilst working to utilise the available capital in the most efficient manner which we will continue. We were delighted to achieve the level of performance at the Parrilla tailings project which is now delivering revenue with the off-take agreements in place.

We are excited to now start the process of putting the infrastructure in place to leverage the La Parrilla site ahead of the development of the main mine which is a world class tungsten asset.

I would like to thank our shareholders for their ongoing support and the hardworking experienced technical teams in both Spain and Portugal for their dedication and commitment during the first half of 2014.



Michael Masterman
Chairman
W Resources Plc

30 September 2014

"Some of 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."

W RESOURCES PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2014

	<u>Unaudited Six</u> <u>Months to</u> <u>30 June 2014</u> <u>£(000's)</u>	<u>Unaudited Six</u> <u>Months to</u> <u>30 June 2013</u> <u>£(000's)</u>	<u>Year to</u> <u>31 December</u> <u>2013</u> <u>£(000's)</u>
Continuing Operations			
Revenue	-	-	-
Cost of Sales	-	-	-
	<hr/>	<hr/>	<hr/>
Gross Profit	-	-	-
Administrative Expenses	(119)	(132)	(253)
Operating Loss	<hr/> (119)	<hr/> (132)	<hr/> (253)
Loss before Income Tax	(119)	(132)	(253)
Income Tax	-	-	-
Loss for the Period	<hr/> (119)	<hr/> (132)	<hr/> (253)
Other Comprehensive Income			
Unrealised Foreign Exchange (Loss) / Gain	(514)	56	(99)
Total Comprehensive Loss for the period	<hr/> (633)	<hr/> (76)	<hr/> (352)
Basic and Diluted Loss per Share	(0.006p)	(0.007p)	(0.014p)

W RESOURCES PLC
GROUP FINANCIAL POSITION
30 JUNE 2014

	Unaudited 30 June 2014 £(000's)	Unaudited 30 June 2013 £(000's)	31 December 2013 £(000's)
ASSETS			
NON-CURRENT ASSETS			
Intangible Fixed Assets	5,834	3,149	5,437
Tangible Fixed Assets	2,004	317	1,448
	<u>7,838</u>	<u>3,466</u>	<u>6,885</u>
CURRENT ASSETS			
Trade and Other Receivables	929	301	599
Stock	134	-	-
Cash and Cash Equivalents	371	1,494	1,424
	<u>1,434</u>	<u>1,795</u>	<u>2,023</u>
TOTAL ASSETS	<u>9,272</u>	<u>5,261</u>	<u>8,908</u>
EQUITY			
SHAREHOLDERS EQUITY			
Called up share capital	2,184	1,813	2,087
Share premium account	16,734	14,255	16,075
Retained earnings	(12,209)	(11,969)	(12,090)
Merger Reserve	909	909	909
Translation Reserve	(613)	56	(99)
TOTAL SHAREHOLDERS EQUITY	<u>7,005</u>	<u>5,064</u>	<u>6,882</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	2,267	197	1,610
TOTAL LIABILITIES	<u>2,267</u>	<u>197</u>	<u>1,610</u>
NON CURRENT LIABILITIES			
TRADE AND OTHER PAYABLES	<u>-</u>	<u>-</u>	<u>416</u>
	<u>2,267</u>	<u>197</u>	<u>2,026</u>
TOTAL EQUITY AND LIABILITIES	<u>9,272</u>	<u>5,261</u>	<u>8,908</u>

W RESOURCES PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Called Up Share Capital £(000's)	Profit and Loss Account £(000's)	Share Premium £(000's)	Merger Reserve £(000's)	Translation Reserve £(000's)	Total Equity £(000's)
Balance at 1 January 2014	2,087	(12,090)	16,075	909	(99)	6,882
Issue of Share Capital	97	-	659	-	-	756
Share Issue Costs	-	-	-	-	-	-
Total Comprehensive Income	-	(119)	-	-	-	(119)
Unrealised Foreign Exchange Loss	-	-	-	-	(514)	(514)
Balance at 30 June 2014 (unaudited)	2,184	(12,209)	16,734	909	(613)	7,005
Year to 31 December 2013						
Balance at 1 January 2013	1,582	(11,837)	12,292	909	-	2,946
Issue of Share Capital	505	-	3,783	-	-	4,288
Share Issue Costs	-	-	-	-	-	-
Total Comprehensive Income	-	(253)	-	-	-	(253)
Unrealised Foreign Exchange Loss	-	-	-	-	(99)	(99)
Balance at 31 December 2013	2,087	(12,090)	16,075	909	(99)	6,882
6 Months to 30 June 2013						
Balance at 1 January 2013	1,582	(11,837)	12,292	909	-	2,946
Issue of Share Capital	231	-	2,070	-	-	2,301
Share Issue Costs	-	-	(107)	-	-	(107)
Total Comprehensive Income	-	(132)	-	-	-	(132)
Unrealised Foreign Exchange Gain	-	-	-	-	56	56
Balance at 30 June 2013 (unaudited)	1,813	(11,969)	14,255	909	56	5,064

W RESOURCES PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2014

	<u>Unaudited Six</u> <u>Months to</u> <u>30 June 2014</u> <u>£(000's)</u>	<u>Unaudited Six</u> <u>Months to</u> <u>30 June 2013</u> <u>£(000's)</u>	<u>Year to</u> <u>31 December</u> <u>2013</u> <u>£(000's)</u>
Cash Flows from Operating Activities			
Cash Absorbed by Operations	(1,809)	(1,374)	(3,538)
Cash Flows from Financing Activities			
Share Placement	756	2,194	4,288
Net Cash for Financing Activities	756	2,194	4,288
Increase / (Decrease) in Cash and Cash Equivalents	(1,053)	820	750
Cash and Cash Equivalent at Beginning of Period	1,424	674	674
Cash and Cash Equivalent at end of Period	371	1,494	1,424
Reconciliation of Cash Flows from Operations			
Loss before Tax	(119)	(132)	(253)
Depreciation	11	4	13
Exchange Difference on Translation of Fixed Assets	(277)	(52)	(139)
	(385)	(180)	(379)
(Increase) in Trade and Other Receivables	(330)	(140)	(438)
Increase / (Decrease) in Trade and Other Payables	241	(255)	78
Increase in Stock	(134)	-	-
Acquisition of Intangible Fixed Assets	(591)	(302)	(1,366)
Acquisition of Tangible Fixed Assets	(610)	(497)	(1,433)
Cash Absorbed by Operations	(1,809)	(1,374)	(3,538)

W RESOURCES PLC
NOTES TO THE INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2014

1. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention.

As an AIM listed the Company the company is entitled to exemption from adopting IAS 34 and this exemption has been taken to the effect that segment information is not disclosed.

The financial statements have been prepared using the accounting policies used in the audited Financial Statements for the year ended 31 December 2013, and which will continue to be used for the financial statements for the year ended 31 December 2014.

The interim results are unaudited. The financial statements herein do not amount to full statutory accounts within the meaning of Part 15 of the Companies Act 2006.

These financial statements were approved on 30 September 2014.

Going Concern

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

Directors Responsibilities

The Directors are responsible for preparing the Interim Review and the Financial Statements in accordance with applicable law and regulations. The Directors have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards as adapted for use in the European Union.

In preparing these financial statements, the Directors are required to:-

- select suitable accounting policies and apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- 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.

2. INCOME TAX

There is no income tax arising on the loss on ordinary activities for the six months ended 30 June 2014.

3. LOSS PER ORDINARY SHARE

<u>Basic and Diluted Loss Per Share</u>	Loss (£000's)	Weighted Average Number of Shares	Per Share Amount Pence
6 Months to 30 June 2014 (unaudited)	(119)	2,110,210,657	(0.006p)
6 Months to 30 June 2013 (unaudited)	(132)	1,741,680,438	(0.007p)
Year to 31 December 2013 (Audited)	(253)	1,844,441,008	(0.014p)

4. EVENTS AFTER THE REPORTING PERIOD

A further placement was made in July 2014 of £1.2 million.