GROUP STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

FOR

W RESOURCES PLC

W RESOURCES PLC
CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

W RESOURCES PLC
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2015

DIRECTORS:	M G Masterman Dr B Pirola D R Garland
SECRETARY:	Cargil Management Services Ltd.
REGISTERED OFFICE:	22 Melton Street London NW1 2BW
REGISTERED NUMBER:	04782584 (England and Wales)
AUDITORS:	Chapman Davis LLP
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

In 2015, W Resources Plc (the "Company" or "W") made encouraging progress at its flagship tungsten development projects: La Parrilla in Spain and Régua in Portugal.

At La Parrilla a 2,900 metre ("m") drilling programme led to a new Joint Ore Reserves Committee ("JORC") compliant mineral resource estimate indicating an increase of 16% in contained tungsten tri-oxide ("WO_3"). Critical path geological, metallurgical, approval, and project design culminated in the delivery of a three-stage low-incremental cost development plan which will deliver 5,000 tonnes per annum ("tpa") of tungsten and 440 tonnes of tin (Sn) in a low capital and operating cost venture once at full production levels, targeted for 2018.

In parallel at Régua, extension drilling delivered significant high-grade results, which exceeded expectations, in particular in the northeast and northwest and in the target open pit mining area in the centre of the orebody. These positive results were incorporated into an updated JORC mineral resource estimate indicating a significant 76% increase in the indicated resource tonnage.

In addition to the progress at La Parrilla and Régua, W completed a successful exploration drilling campaign at CAA / Portalegre, drilling five holes with significant intersections and signed an agreement which increased the project exploration licence by 101.7 km² to 289.75 m² incorporating the highly prospective São Martinho gold project at minimal cost.

La Parrilla, Spain

The La Parrilla definition study, which was completed in June 2015, outlined a low capital and operating cost project, targeting annual production of 5,000 tonnes of tungsten (WO_3) and 440 tonnes of tin (Sn) concentrate.

In September 2015, W completed a drilling programme comprising 1,302 m diamond core and 1,594 m of grade control reverse circulation drilling in the Fast Track Mine ("FTM") area. This returned strong assay results which were located near surface including: 40 m at 0.32% WO_3 from surface in Hole IRC1-40 and 56.20 m at 0.21% WO_3 from 47.5 m in Hole IP-21. The drilling programme at La Parrilla West also delivered solid results with the new Hole IP-25 reporting 28.40 m at 0.25% WO_3 from 43.2 m.

An updated JORC mineral resource estimate was completed in February 2016, confirming La Parrilla to be one of the largest tungsten deposits in the Western World:

- The total resources estimate for La Parrilla increased to 51 million tonnes ('mt') at 0.096% WO_3 and 0.108% Sn. This represents a substantial increase of 16% in contained WO_3 and a 7% increase in average WO_3 grade
- A large increase of 29% contained Sn and a 19% increase in Sn grade
- Importantly, the classification of the resource also increased, with an indicated resource of 36 mt which equates to 70% of the total resource estimate, up from zero in the previous 2013 estimate

Metallurgical testing, plant design and expansion planning work advanced in 2015, which determined that the La Parrilla plant will be constructed in three stages allowing for low-cost incremental expansion to supply the anticipated steady growth in market demand.

Initial production at the FTM will target 1,300 tpa of 66% WO_3 concentrate and 110 tonnes of 52% Sn concentrate, at an estimated cost of US$16 million. The FTM is on-track for first production in late 2016.

Phase two will see the FTM being scaled up in 2017 / 2018 to 2,600 tpa at the low incremental cost of US$6.0 million. In Phase three, at an estimated cost of US$30 million, the final Full Mine ("FM") will incorporate ore sorters and duplicate the processing plant expanding the capacity to 5,000 tpa, transforming W into a large profitable mining company delivering approximately US$90 million per annum revenue (based on an APT price of $320), with low operating costs of just US$121 / mtu.

Following the receipt of the environmental approval for La Parrilla in July 2015, W received the Mines Department authorisation (the main approval required to fully develop the FTM towards production) in November 2015. This was received just eight months after submission of the formal environmental and development documentation, and is particularly encouraging as it gives W strong confidence in support from the Spanish Regional Government for the La Parrilla project. Full Mine development and environmental approvals are advancing, whilst the Company makes good progress on this exciting asset.

Régua, Portugal

W continued development at Régua during 2015 and in August the Company completed a 2,067 m diamond drilling and bulk sampling campaign to appraise lateral and depth extensions to existing mineralisation. The drilling programme further defined high-grade extensions to the northeast (Hole RGD023 - 6.30 m at 0.47% from 122.44 m plus 10.48 m at 0.61% from 132.72 m) and in addition, a step-out hole identified a significant new extension of the orebody to northwest (Hole RGD026A - 6.45 m at 0.35% WO_3 from 206.55 m). Five short holes drilled in the centre of the orebody highlighted the potential for an initial open pit mining area with multiple levels of higher-grade tungsten mineralisation at surface or close to surface with limited cover (Hole RGD028 - 4.35 m at 0.83% WO_3 from 16.50 m).

The Régua 4 tonne bulk surface sample returned assays of 0.33% to 1.0% WO_3 and the drilling results highlighted 6 zones (compared to the expected 3) of tungsten bearing skarn, including 10 m at 0.6% WO_3.

These positive results were incorporated into an updated JORC compliant mineral resource estimate, issued in October 2015, with the total resource tonnage increasing by 22% to 5.46 mt at a grade of 0.28% WO_3, up from 4.46 mt, and notably the indicated resource tonnage increasing by 76% to 3.76 mt at 0.304% WO_3 (2012: 2.14 mt @ 0.367% WO_3).

Mine development planning is now advanced and on-track for completion during mid-2016. Metallurgical and plant design work for an initial shallow open-pit mine design, as well as a second phase for a larger scale high-grade underground operation are also in progress.

The Régua deposit remains open at depth and on all sides, with significant potential resource growth to the northeast including a 10 m thick tungsten intersection.

Tarouca Exploration, Portugal

In 2015, trench sampling at the Tarouca project showed high-grade tungsten results with 15 out of 126 samples exceeding 0.5% WO_3, including 0.8 m at 11.4% WO_3 (TTR063). Together with the 15 holes drilled in 2014, this confirms an outstanding exploration target in the north eastern area of the licence. W has consolidated the data and will review timing for further targeted drilling later during 2016.

Tarouca is located 133 km east of Porto and W has an exploration licence on this project.

Copper-Gold Exploration: CAA / Portalegre, Portugal

In May 2015, W completed a 1,058 m scout diamond drilling programme at the CAA / Portalegre gold and base metal exploration licence in Portugal, which delivered encouraging results. Hole CAAD-05 intersected 16 m of gold (Au) at 1.37 grams per tonne ("g/t") between 124 m and 140 m, which is the most significant result in the CAA / Portalegre programme.

The results delineated the strong potential for extensions at CAA / Portalegre and with the project now at an advanced stage of exploration, the Company's priority is now to translate the results into a discovery in the next phase of gold exploration.

W signed an agreement with the Portuguese Department of Energy and Geology (DGEG), in October 2015 to increase its CAA / Portalegre exploration licence by 101.7 km². As a result, the project now includes the highly prospective São Martinho gold project with a non-compliant resource estimate of 328,621oz at an average grade of 1.37 g/t Au. The expanded licence agreement has resulted in the CAA / Portalegre project now covering 289.75 km².

The Board considers it logical and a strategic advantage to farm-out the gold and base metals project to the right partner, and evaluating this process will commence during the course of 2016.

CAA / Portalegre is located 200 km east of Lisbon, comprising two gold exploration licences.

Finance

During 2015, W completed capital placements totalling £3,775,000. The funds raised were predominantly used to progress development at the Régua Project and the La Parrilla FTM (including the completion of the environmental approval). In addition, the Company completed a drilling campaign at its prospective CAA / Portalegre gold exploration project.

The Company recorded an after tax loss £606,000 in 2015, compared to a loss of £641,000 in 2014; due largely to lower finance costs and includes a full year of plant depreciation.

W Resources has exercised the option to fully acquire La Parrilla and made all option payments. W Resources, as 100% titleholder and owner, now has full title to La Parrilla Mining Concession.

The US$800,000 convertible note facility with Bergen, which was drawn in October 2014, was fully repaid in April 2015 and the facility terminated.

Outlook

2015 has been a productive year for W, with advances made in Spain and Portugal. I am delighted with the progress made to date and achieving major milestones with the resource upgrades on both projects significantly increasing the prospectivity at both of these flagship projects. The La Parrilla mine plan is progressing well, and we anticipate to finalise this in mid-2016, and in parallel, we are continuing our discussions with regard to financing the mine at asset level and are encouraged by the response to date. These factors, combined with the Full Mine approval, see the FTM construction on-track ahead of the ramp-up to full production in 2017.

At Régua, metallurgical results to date have been encouraging and this, combined with process flowsheet updates will enable us to start work on the definition development study.

On behalf of the board I would like to thank our hardworking teams in Spain and Portugal and our valued shareholders for their continued support during 2015 and we look forward to prospering with the development work as we head towards the ramp-up of production at La Parrilla in early 2017 following construction of the project this year.

Mr M Masterman
Chairman
W Resources Plc

27 May 2016

"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."

The Directors present their strategic report of the company and the group for the year ended 31 December 2015.

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.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group uses various financial instruments. These include cash, convertible loans and various other 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.

ON BEHALF OF THE BOARD:

Michael Masterman

M G Masterman
Chairman

Date: 27 May 2016

The Directors present their report with the financial statements of the company and the group for the year ended 31 December 2015.

PRINCIPAL ACTIVITY

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

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2015.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The Directors shown below have held office during the whole of the period from 1 January 2015 to the date of this report.

M G Masterman
Dr B Pirola
D R Garland

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Michael Masterman
Chairman

Mr Masterman has an exceptional track record in establishing and financing new resources companies. He completed the US$1.15bn sale of a 31% interest in the Fortescue Metals Group's majority-owned FMG Iron Bridge iron ore company 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 Metals Group, Po Valley Energy and Atacama Metals Holdings Limited.

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.

David Garland
Non-Executive Director

David is the former General Counsel, Secretary and Chief Compliance Officer of Dominion Petroleum Limited (an oil and gas exploration company then listed on the LSE). Before joining Dominion, he had practiced as a barrister for 18 years from Brick Court Chambers, a leading commercial barristers' chambers in London. David was a founder, and is currently General Counsel and a director, of Atacama Metals Holdings Limited, a private Hong Kong registered copper exploration company, with mining concessions and interests, in the Atacama Desert in Chile.

Director's Remuneration

B Pirola waived his right to fees for the year under review. From 1 January 2015, D Garland was paid £1,000 per month in fees. From 1 September 2015, M Masterman is entitled to £10,000 per month in fees, these fees remain outstanding at the balance sheet date.

DIRECTORS - continued

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

The Audit Committee, which intends to meet no less than twice a year and considers the Group's financial reporting (including accounting policies) and internal financial controls, is chaired by D Garland, Non-Executive Director. The Audit Committee will be responsible 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.

SIGNIFICANT SHAREHOLDERS

As at yesterday’s date, the Company had been notified of the following interests of 3% or more held in the Company's issued share capital:

	Shares	**Percent**
M Masterman *	774,815,635	19.95
Hansource Investments Ltd	333,333,333	8.58
Beronia Investments Pty Ltd (Dr B Pirola) **	250,209,748	6.44
H Gibson *	171,066,866	4.41
C Scott	157,982,197	4.07

* 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 three members; one Executive Director and two Non-Executive Directors 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 other Non-Executive Director, David Garland, has a wealth of experience either in the minerals industry and in the legal field. 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.

DIRECTORS - continued

THE REMUNERATION COMMITTEE

The Remuneration Committee meets at least once a year and is 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 are established by reference to prevailing market conditions and performance of each Executive Director.

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.

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.

EVENTS SINCE THE BALANCE SHEET DATE

The company has made additional placements of £750,000 and £100,000 since the year end.

DIRECTORS - continued

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Report of the Directors 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 by 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;
- state that the financial statements comply with IFRS;
- 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:

M G Masterman
Chairman

Date: 27 May 2016

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 2015 on pages eleven to thirty-three. 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, and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 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 a Report of the Auditors 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 set out on page six, 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 and express an opinion on 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 of the financial statements

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. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2015 and of the group's loss for the year then ended;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, 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,
2 Chapel Court, London SE1 1HH

Date: 27 May 2016

W RESOURCES PLC
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £'000	2014 £'000
CONTINUING OPERATIONS			
Revenue	2	82	964
Cost of sales		(100)	(1,098)
GROSS LOSS		(18)	(134)
Depreciation and amortisation		(184)	(102)
Administrative expenses		(386)	(251)
OPERATING LOSS		(588)	(487)
Finance costs	4	(18)	(155)
Finance income	4	-	1
LOSS BEFORE INCOME TAX	5	(606)	(641)
Income tax	6	-	-
LOSS FOR THE YEAR		(606)	(641)
OTHER COMPREHENSIVE INCOME			
Item that will not be reclassified to profit or loss:			
Translation reserve		(439)	(754)
Income tax relating to item of other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		(439)	(754)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,045)	(1,395)
Loss attributable to:			
Owners of the parent		(606)	(641)
Total comprehensive income attributable to:			
Owners of the parent		(1,045)	(1,395)
Loss per share expressed in pence per share:	8		
Basic		-0.02	-0.03
Diluted		-0.02	-0.03

The notes form part of these financial statements

W RESOURCES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2015

	Notes	2015 £'000	2014 £'000
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	9	8,250	6,942
Property, plant and equipment	10	1,809	2,037
Investments	11	-	-
		10,059	8,979
CURRENT ASSETS			
Inventories	12	-	52
Trade and other receivables	13	574	848
Cash and cash equivalents	14	864	283
		1,438	1,183
TOTAL ASSETS		11,497	10,162
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	15	3,694	2,420
Share premium	16	20,316	17,913
Share Warrant Reserve	16	77	77
Merger Reserve	16	909	909
Translation Reserve	16	(1,292)	(853)
Retained earnings	16	(13,337)	(12,731)
TOTAL EQUITY		10,367	7,735
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	986	1,914
Financial liabilities - borrowings			
Interest bearing loans and borrowings	18	144	513
		1,130	2,427
TOTAL LIABILITIES		1,130	2,427
TOTAL EQUITY AND LIABILITIES		11,497	10,162

The financial statements were approved by the Board of Directors on 27 May 2016 and were signed on its behalf by:

M G Masterman
Chairman

The notes form part of these financial statements

W RESOURCES PLC
COMPANY STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2015

	Notes	2015 £'000	2014 £'000
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	9	-	-
Property, plant and equipment	10	-	-
Investments	11	1,520	1,520
		1,520	1,520
CURRENT ASSETS			
Trade and other receivables	13	10,593	7,774
Cash and cash equivalents	14	145	65
		10,738	7,839
TOTAL ASSETS		12,258	9,359
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	15	3,694	2,420
Share premium	16	20,316	17,913
Share Warrant Reserve	16	77	77
Merger Reserve	16	909	909
Translation Reserve	16	(98)	(98)
Retained earnings	16	(12,889)	(12,538)
TOTAL EQUITY		12,009	8,683
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	249	163
Financial liabilities - borrowings			
Interest bearing loans and borrowings	18	-	513
		249	676
TOTAL LIABILITIES		249	676
TOTAL EQUITY AND LIABILITIES		12,258	9,359

The financial statements were approved by the Board of Directors on 27 May 2016 and were signed on its behalf by:

M G Masterman
Chairman

The notes form part of these financial statements

W RESOURCES PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up Share Capital £'000	Retained Earnings £'000	Share Premium £'000
Balance at 1 January 2014	2,087	(12,090)	16,075
Changes in equity			
Issue of share capital	333	-	1,838
Total comprehensive income	-	(641)	-
Balance at 31 December 2014	2,420	(12,731)	17,913
Changes in equity			
Issue of share capital	1,274	-	2,403
Total comprehensive income	-	(606)	-
Balance at 31 December 2015	3,694	(13,337)	20,316

	Share Warrant Reserve £'000	Merger Reserve £'000	Translation Reserve £'000	Total Equity £'000
Balance at 1 January 2014	-	909	(99)	6,882
Changes in equity				
Issue of share capital	-	-	-	2,171
Total comprehensive income	-	-	(754)	(1,395)
Warrants granted	77	-	-	77
Balance at 31 December 2014	77	909	(853)	7,735
Changes in equity				
Issue of share capital	-	-	-	3,677
Total comprehensive income	-	-	(439)	(1,045)
Balance at 31 December 2015	77	909	(1,292)	10,367

The notes form part of these financial statements

W RESOURCES PLC
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up Share Capital £'000	Retained Earnings £'000	Share Premium £'000
Balance at 1 January 2014	2,087	(11,988)	16,075
Changes in equity			
Issue of share capital	333	-	1,838
Total comprehensive income	-	(550)	-
Balance at 31 December 2014	2,420	(12,538)	17,913
Changes in equity			
Issue of share capital	1,274	-	2,403
Total comprehensive income	-	(351)	-
Balance at 31 December 2015	3,694	(12,889)	20,316

	Share Warrant Reserve £'000	Merger Reserve £'000	Translation Reserve £'000	Total Equity £'000
Balance at 1 January 2014	-	909	(98)	6,985
Changes in equity				
Issue of share capital	-	-	-	2,171
Total comprehensive income	-	-	-	(550)
Warrants granted	77			77
Balance at 31 December 2014	77	909	(98)	8,683
Changes in equity				
Issue of share capital	-	-	-	3,677
Total comprehensive income	-	-	-	(351)
Balance at 31 December 2015	77	909	(98)	12,009

The notes form part of these financial statements

W RESOURCES PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £'000	2014 £'000
Cash flows from operating activities			
Cash absorbed by operations	1	(974)	(1,050)
Interest paid		(18)	-
Finance costs paid		-	(155)
Tax paid		-	(14)
Net cash from operating activities		(992)	(1,219)
Cash flows from investing activities			
Purchase of intangible fixed assets		(1,720)	(2,016)
Purchase of tangible fixed assets		(15)	(745)
Interest received		-	1
Net cash from investing activities		(1,735)	(2,760)
Cash flows from financing activities			
New loans in year		165	512
Loan repayments in year		(533)	-
Amount introduced by directors		-	156
Share issue		1,274	333
Share Issue Premium		2,501	1,909
Share Issue Costs		(99)	(71)
Net cash from financing activities		3,308	2,839
Increase/(decrease) in cash and cash equivalents		581	(1,140)
Cash and cash equivalents at beginning of year	2	283	1,423
Cash and cash equivalents at end of year	2	864	283

The notes form part of these financial statements

W RESOURCES PLC
COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £'000	2014 £'000
Cash flows from operating activities			
Cash absorbed by operations	1	(3,479)	(3,990)
Interest paid		(18)	(5)
Finance costs paid		-	(155)
Net cash from operating activities		(3,497)	(4,150)
Cash flows from investing activities			
Interest received		413	295
Net cash from investing activities		413	295
Cash flows from financing activities			
New loans in year		-	512
Loan repayments in year		(512)	-
Share issue		1,274	333
Share Premium		2,501	1,909
Share issue costs		(99)	(71)
Net cash from financing activities		3,164	2,683
Increase/(decrease) in cash and cash equivalents		80	(1,172)
Cash and cash equivalents at beginning of year	2	65	1,237
Cash and cash equivalents at end of year	2	145	65

The notes form part of these financial statements

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

Group

	2015 £'000	2014 £'000
Loss before income tax	(606)	(641)
Depreciation charges	184	102
Share based payment	-	77
Foreign exchange loss	32	(188)
Finance costs	18	155
Finance income	-	(1)
	(372)	(496)
Decrease/(increase) in inventories	52	(52)
Decrease/(increase) in trade and other receivables	274	(249)
Decrease in trade and other payables	(928)	(253)
Cash absorbed by operations	(974)	(1,050)

Company

	2015 £'000	2014 £'000
Loss before income tax	(351)	(550)
Share based payments	-	77
Increase in inter-group loans	(2,785)	(3,341)
Finance costs	18	160
Finance income	(413)	(295)
	(3,531)	(3,949)
(Increase)/decrease in trade and other receivables	(35)	4
Increase/(decrease) in trade and other payables	87	(45)
Cash absorbed by operations	(3,479)	(3,990)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statements of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

	Group		Company	
Year ended 31 December 2015				
	31.12.15 £'000	1.1.15 £'000	31.12.15 £'000	1.1.15 £'000
Cash and cash equivalents	864	283	145	65
Year ended 31 December 2014				
	31.12.14 £'000	1.1.14 £'000	31.12.14 £'000	1.1.14 £'000
Cash and cash equivalents	283	1,423	65	1,237

1. ACCOUNTING POLICIES

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.

New standards, amendments and interpretations adopted by the Company

No new and/or revised Standards and Interpretations have been required to be adopted, and/or are applicable in the current year by/to the Company, as standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 are not material to the Company.

New standards, amendments and interpretations not yet adopted
At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements, were in issue but not yet effective for the year presented:

- IFRS 9 in respect of Financial Instruments which will be effective for the accounting periods beginning on or after 1 January 2018.

- IFRS 14 in respect of Regulatory Deferral Accounts which will be effective for accounting periods beginning on or after 1 January 2016.

- IFRS 15 in respect of Revenue from Contracts with Customers which will be effective for accounting periods beginning on or after 1 January 2017.

- Amendments to IFRS 10, IFRS 12 and IAS 28 in respect of the application of the consolidation exemption to investment entities which will be effective for accounting periods beginning on or after 1 January 2016.

- Amendments to IFRS 10 and IAS 28 in respect of the treatment of a Sale or Contribution of Assets between an Investor and its Associate or Joint Venture which will be effective for accounting periods beginning on or after 1 January 2016.

- Amendments to IFRS 11 in respect of Accounting for Acquisitions of Interest in Joint Operations which will be effective for accounting periods beginning on or after 1 January 2016.

- Amendments to IAS 1 in respect of determining what information to disclose in annual financial statements which will be effective for accounting periods beginning on or after 1 January 2016.

- Amendments to IAS 16 and IAS 38 in respect of Clarification of Acceptable Methods of Depreciation and Amortisation which will be effective for accounting periods beginning on or after 1 January 2016.

- Amendments to IAS 16 and IAS 41 in respect of Bearer Plants which will be effective for accounting periods beginning on or after 1 January 2016.

- Amendments to IAS 27 to allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates which will be effective for accounting periods beginning 1 January 2016.

- Annual improvements to IFRS's which will be effective for accounting periods beginning on or after 1 January 2016 as follows:
    - IFRS 5 - Changes in methods of disposal
    - IFRS 7 - Servicing contracts
    - IFRS 7 - Applicability of the amendments to IFRS 7 to condensed interim financial statements
    - IAS 19 - Discount rate: Regional market issue
    - IAS 34 - Disclosure of information "elsewhere in the interim financial report"

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

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, Recursos Minerais, Unipessoal, 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.

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.

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.

Motor Vehicles	5-10 years
Plant and equipment	10-15 years
Furniture and other equipment	3-10 years

Financial instruments

Share Warrants are valued using the Black Scholes method.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1. **ACCOUNTING POLICIES - continued**

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 statement of financial position date.

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:

- 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

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position 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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

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.

1. **ACCOUNTING POLICIES - continued**

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 2015 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 27 May 2016.

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").

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.

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.

Segmental Reporting

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

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

Production costs and sales recognition during plant ramp-up period

As is customary in the mineral processing industry, during the processing plant ramp-up period, being the date from when plant construction is completed until the processing ability of the plants attains optimum capacity, costs associated with the production of mineral concentrate are capitalised as intangible assets. Revenues from mineral concentrate sales during such ramp-up periods are recognised as sales revenues in the profit and loss account, and an amount of the capitalised production costs equivalent to the sales revenues is charged to cost of sales to record a zero margin on those sales. Once optimum plant capacity is attained the remaining balance of the capitalised production costs is amortised over the remaining expected useful life of the plant.

2. SEGMENTAL REPORTING

2014		**Corporate** £'000	**Mineral Exploration** £'000	**Total** £'000
By Business Segment:				
Loss for the year		(459)	(182)	(641)
Balance Sheet	- Segment Assets	88	10,074	10,162
	- Segment Liabilities	(564)	(1,863)	(2,427)
Net Assets		(476)	8,211	7,735

By Geographical Sector:		**Iberia**	**UK**	**Total**
Loss for the year		(182)	(459)	(641)
Balance Sheet	- Segment Assets			
	- Tangibles	2,037	-	2,037
	- Intangibles	6,942	-	6,942
	- Other	1,095	88	1,183
	- Segment Liabilities	(1,863)	(564)	(2,427)
		8,211	(476)	7,735

2015		**Corporate**	**Mineral Exploration**	**Total**
By Business Segment:				
Loss for the year		(351)	(255)	(606)
Balance Sheet	- Segment Assets	200	11,297	11,497
	- Segment Liabilities	(136)	(994)	(1,130)
Net Assets		64	10,303	10,367

By Geographical Sector:		**Iberia**	**UK**	**Total**
Loss for the year		(255)	(351)	(606)
Balance Sheet	- Tangible Assets	1,809	-	1,809
	- Intangibles	8,250	-	8,250
	- Other	1,238	200	1,438
	- Segment Liabilities	(994)	(136)	(1,130)
Net Assets/(Liabilities)		10,303	64	10,367

3. EMPLOYEES AND DIRECTORS

During the year £11,000 of staff costs were capitalised in Intangible Assets, there were no staff costs for the year ended 31 December 2014.

The average monthly number of employees during the year was as follows:

	2015	2014
Management & Administration	3	3
Technical	1	-

Directors' remuneration	2015 £'000	2014 £'000
Michael Masterman	40	-
Byron Pirola	-	-
David Garland	12	-
	52	-

4. NET FINANCE COSTS

	2015 £'000	2014 £'000
Finance income:		
Deposit account interest	-	1
Finance costs:		
Other interest	18	-
Share based payment charge	-	77
Commencement fees	-	78
	18	155
Net finance costs	18	154

5. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging/(crediting):

	2015 £'000	2014 £'000
Cost of sales	100	1,098
Other operating leases	4	4
Depreciation - owned assets	129	65
Intangible assets amortisation	54	36
Auditors' remuneration	21	19
Auditors' remuneration for non-audit work	3	2

6. INCOME TAX

Analysis of tax expense

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2015 nor for the year ended 31 December 2014.

6. **INCOME TAX - continued**

Factors affecting the tax expense
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2015 £'000	2014 £'000
Loss on ordinary activities before income tax	(606)	(641)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014 - 21.500%)	(121)	(138)
Effects of:		
Share based payment disallowed	-	17
Benefit of losses brought forward	(3,272)	(3,151)
Benefit of losses carried forward	3,393	3,272
Tax expense	-	-

7. **LOSS OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(351,000) (2014 - £(549,000)).

8. **LOSS PER SHARE**

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

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

Reconciliations are set out below.

	Loss £'000	2015 Weighted average number of shares	Per-share amount pence
Basic LPS			
Loss attributable to ordinary shareholders	(606)	3,290,674,856	-0.02
Effect of dilutive securities	-	-	-
Diluted LPS			
Adjusted Loss	(606)	3,290,674,856	-0.02

8. LOSS PER SHARE - continued

	Loss £'000	2014 Weighted Average Number of Shares	Per-share Amount Pence
Basic LPS			
Loss attributable to ordinary shareholders	(641)	2,216,948,161	-0.03
Effect of dilutive securities	-	-	-
Diluted LPS			
Adjusted loss	(641)	2,216,948,161	-0.03

9. INTANGIBLE ASSETS

Group

	Intangible Assets £'000
COST	
At 1 January 2015	6,990
Additions	1,720
Exchange differences	(361)
At 31 December 2015	8,349
AMORTISATION	
At 1 January 2015	48
Amortisation for year	54
Exchange differences	(3)
At 31 December 2015	99
NET BOOK VALUE	
At 31 December 2015	8,250

9. INTANGIBLE ASSETS - continued

Group

	Intangible Assets £'000
COST	
At 1 January 2014	5,450
Additions	2,016
Exchange differences	(476)
At 31 December 2014	6,990
AMORTISATION	
At 1 January 2014	13
Amortisation for year	36
Exchange differences	(1)
At 31 December 2014	48
NET BOOK VALUE	
At 31 December 2014	6,942

The above represents capitalised testing works and concessions costs acquired.

10. PROPERTY, PLANT AND EQUIPMENT

Group

	Plant and Machinery £'000	Fixtures and Fittings £'000	Motor Vehicles £'000	Totals £'000
COST				
At 1 January 2015	2,161	13	6	2,180
Additions	15	-	-	15
Exchange differences	(122)	-	-	(122)
At 31 December 2015	2,054	13	6	2,073
DEPRECIATION				
At 1 January 2015	124	13	6	143
Charge for year	129	-	-	129
Exchange differences	(8)	-	-	(8)
At 31 December 2015	245	13	6	264
NET BOOK VALUE				
At 31 December 2015	1,809	-	-	1,809

10. PROPERTY, PLANT AND EQUIPMENT - continued

Group

	Plant and Machinery £'000	Fixtures and Fittings £'000	Motor Vehicles £'000	Totals £'000
COST				
At 1 January 2014	1,512	13	6	1,531
Additions	745	-	-	745
Exchange differences	(96)	-	-	(96)
At 31 December 2014	2,161	13	6	2,180
DEPRECIATION				
At 1 January 2014	64	13	6	83
Charge for year	65	-	-	65
Exchange differences	(5)	-	-	(5)
At 31 December 2014	124	13	6	143
NET BOOK VALUE				
At 31 December 2014	2,037	-	-	2,037

11. INVESTMENTS

Company

	Shares in Group Undertakings £'000
COST	
At 1 January 2015 and 31 December 2015	1,520
NET BOOK VALUE	
At 31 December 2015	1,520
At 31 December 2014	1,520

	Shares in Group Undertakings £'000
COST	
At 1 January 2014 and 31 December 2014	1,520
NET BOOK VALUE	
At 31 December 2014	1,520

11. INVESTMENTS - continued

Company

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Iberian Resources Spain SL
Country of incorporation: Spain
Nature of business: Tungsten mining, production, exploration

Class of shares:	% holding
Ordinary	100.00

	2015 £'000	2014 £'000
Aggregate capital and reserves	(576)	(589)

Australian Iron Ore Plc (Group)
Nature of business: Tungsten mining exploration, development

Class of shares:	% holding
Ordinary	100.00

	2015 £'000	2014 £'000
Aggregate capital and reserves	293	402

Iberian Resources Portugal, Recursos Minerais, Unipessoal, Lda
Country of incorporation: Portugal
Nature of business: Mineral Exploration

Class of shares:	% holding
Australian Iron Ore Plc owns	100.00

	2015 £'000	2014 £'000
Aggregate capital and reserves	181	282

Caspian USA Inc
Country of incorporation: United States of America
Nature of business: Oil Exploration

Class of shares:	% holding
Ordinary	100.00

Associated company

Black Gold of Kentucky Inc
Country of incorporation: United States of America
Nature of business: Oil Exploration

Class of shares:	% holding
Ordinary	50.00

12. INVENTORIES

	Group 2015 £'000	Group 2014 £'000
Concentrate for re-sale	-	52

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Current:				
Trade debtors	-	40	-	-
Amounts owed by group undertakings	-	-	10,538	7,754
Other debtors	488	779	36	7
Prepayments	86	29	19	13
	574	848	10,593	7,774

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Bank accounts	864	283	145	65

15. CALLED UP SHARE CAPITAL

Allotted and issued:

Number:	Class:	Nominal Value	2015 £'000	2014 £'000
3,693,937,493	Ordinary	0.1p	3,694	2,420

1,274,166,660 Ordinary Shares of 0.1p were issued during the year for cash as follows:

- On 26 January 2015, 466,666,664 Ordinary Shares of 0.1p each were issued at a share price of 0.30p raising £1,400,000.
- On 25 March 2015, 187,500,000 Ordinary Shares of 0.1p each were issued at a share price of 0.20p raising £375,000.
- On 2 April 2015, 100,000,000 Ordinary Shares of 0.1p each were issued at a share price of 0.20p raising £200,000.
- On 2 July 2015, 399,999,996 Ordinary Shares of 0.1p each were issued at a share price of 0.30p raising £1,200,000.
- On 10 November 2015, 120,000,000 Ordinary Shares of 0.1p each were issued at a share price of 0.50p raising £600,000.

16. RESERVES

Group

	Retained Earnings £'000	Share Premium £'000	Share Warrant Reserve £'000
At 1 January 2015	(12,731)	17,913	77
Deficit for the year	(606)	-	-
Cash share issue	-	2,502	-
Share issue costs	-	(99)	-
At 31 December 2015	(13,337)	20,316	77

Group

	Merger Reserve £'000	Translation Reserve £'000	Totals £'000
At 1 January 2015	909	(853)	5,315
Deficit for the year	-	-	(606)
Cash share issue	-	-	2,502
Share issue costs	-	-	(99)
Trans to translation reserve	-	(439)	(439)
At 31 December 2015	909	(1,292)	6,673

Company

	Retained Earnings £'000	Share Premium £'000	Share Warrant Reserve £'000
At 1 January 2015	(12,538)	17,913	77
Deficit for the year	(351)	-	-
Cash share issue	-	2,502	-
Share issue costs	-	(99)	-
At 31 December 2015	(12,889)	20,316	77

Company

	Merger Reserve £'000	Translation Reserve £'000	Totals £'000
At 1 January 2015	909	(98)	6,263
Deficit for the year	-	-	(351)
Cash share issue	-	-	2,502
Share issue costs	-	-	(99)
At 31 December 2015	909	(98)	8,315

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Current:				
Trade creditors	399	1,343	69	26
Amounts owed to group undertakings	-	-	115	116
Other creditors	371	390	4	-
Accrued expenses	67	25	61	21
Directors' loan accounts	149	156	-	-
	986	1,914	249	163

18. FINANCIAL LIABILITIES - BORROWINGS

In February 2015, a loan of £165,380 was granted by the Banco Bilbao Vizcaya to Iberian Resources Spain SL secured against the VAT receivable at that time. Repayment of this loan in 12 equal instalments commenced in December 2015 and the balance outstanding at 31 December 2015 was £143,914.

The company issued a Convertible Zero interest Security with a nominal value of $800,000 (£513,000) to Bergen Global Opportunity Fund LP ("Bergen") a New York based institutional investment fund in 2014. This security may have been converted at the option of Bergen into Ordinary Shares, but before any such conversion occurred, the amount was fully repaid during the year.

19. RELATED PARTY DISCLOSURES

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

M Masterman	192,333,332
D Garland	-
B Pirola	94,999,999

On 20 October 2014, Beronia Investments Pty of which Dr Byron Pirola (a Director of the company) is both a beneficiary and a trustee, lent Iberian Resources Spain SL a short term loan of €200,000 to cover VAT receivables. This is repayable at any time and has an interest rate of 5% per annum.

Since the balance sheet date the following Ordinary 0.1p Shares were acquired by the Directors:

M Masterman	16,666,660
D Garland	5,555,555
B Pirola	-

Included in accruals is the sum of £40,000 for unpaid directors' fees due to M Masterman a Director and significant shareholder.

20. EVENTS AFTER THE REPORTING PERIOD

The Company has made additional placements of £750,000 and £100,000.

21. 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. These warrants have lapsed after none were 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.

On 15 October 2014, the company issued warrants to Bergen Global Opportunity LP conferring the right to subscribe for 28,000,000 shares at £0.0127 per share to be exercised in the period up to 15 October 2016. At the balance sheet date, none of these rights have been exercised.

In respect of these warrants, a charge to finance costs and the creation of a share-based payments reserve has been effected.

22. 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.