

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

FOR

W RESOURCES PLC

**W RESOURCES PLC
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FOR THE SIX MONTHS TO 30 JUNE 2018**

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W RESOURCES PLC
CHAIRMAN'S STATEMENT TO THE INTERIM RESULTS
FOR THE SIX MONTHS TO 30 JUNE 2018

Dear Shareholders,

2018 has proven to be a transformational year for W Resources, with the receipt of a US\$35m term loan facility from BlackRock Financial Management Inc. ("BlackRock") and exceptionally strong local Government support from the Junta de Extremadura in Spain, the Company is well positioned to deliver on its growth plans as it builds towards transitioning to a mid-tier mining Company.

In the first half of 2018, W Resources delivered on its objective to fund its flagship La Parrilla tungsten and tin mine in South-western Spain and is rapidly moving to complete construction and commissioning of the mine and processing plant. La Parrilla was fully funded in February 2018 through a US\$35 million term loan facility from BlackRock, and development of the La Parrilla tungsten and tin mine is on schedule for the completion in the first quarter of 2019.

In parallel, the team is continuing to advance W's core Portuguese tungsten, copper and gold assets.

TUNGSTEN & TIN

La Parrilla – Spain

La Parrilla is a large scale, low cost, long life tungsten and tin project, located approximately 310km southwest of Madrid. It has Australasian Joint Ore Reserves Committee ("JORC") compliant resources totalling 49 million tonnes ("mt") at a grade of 998 parts per million ("ppm") of tungsten trioxide ("WO₃") and JORC compliant reserves of 29.8mt at a diluted grade of 931ppm WO₃.

Development work is underway with construction progressing well during H1 2018 towards project completion in Q1 2019. The timing coincides well with the sharp rise in the European Tungsten ammonium paratungstate ("APT") price over the past year and the project is on target to mine 2 million tonnes per annum ("mtpa") of Run of Mine ("ROM") and produce approximately 2,700 tonnes ("t") of tungsten concentrate and 500t of tin ("Sn") concentrate per annum ("T2").

Project Funding

In February, W secured a US\$35 million term loan facility from BlackRock to fund the La Parrilla mine development.

The funds were drawn in two tranches, with the second drawdown completing the US\$35 million facility in May. As part of the completion of the funding W issued a total of 307,605,430 warrants on a pro-rata basis to the BlackRock funds that participated in the funding, representing 5% of W's fully diluted equity.

In March, the Company was delighted to receive confirmation from the Junta de Extremadura Government in Spain who awarded a grant of €5,322,970 to W's 100% owned subsidiary, Iberian Resources Spain SL. The success of the application is testament to the skills and hard work from the team, who have built great on the ground relationships and appreciate the Government support.

Offtake Agreements

Two major long term offtake agreements were signed in February. The first with Wolfram Bergbau und Hütten AG, ("WBH"), the largest tungsten processing company in Europe and the second is directly with a leading supplier to the USA tungsten markets.

W Resources will supply both with approximately 66% tungsten concentrate on competitive pricing terms. The offtake agreements cover the initial T2 development of the La Parrilla Mine, and will account for approximately 80% of the planned production tonnage from this phase. There is significant demand for the balance of production which W plans to secure offtake following initial production start-up in early 2019.

Contracts

In January, the third core design and construction contract for the Concentrator was awarded to allmineral Aufbereitungstechnik GmbH & Co. KG of Germany ("allmineral") at a contract price of c€8 million. allmineral also have the contract for the Jig & Mill which provides important integration benefits for the project delivery.

W RESOURCES PLC
CHAIRMAN'S STATEMENT TO THE INTERIM RESULTS
FOR THE SIX MONTHS TO 30 JUNE 2018

Development

With funding in place, the earthworks commenced in April with plant civil works nearing completion.

Concrete and civil works are also now complete for the crusher and Metso Minerals Portugal, Lda ("Metso") and Disteca (steelwork contractor) have commenced structural steel delivery at the La Parrilla site. Metso crusher equipment was fabricated in their plant in Mâcon, France and will be progressively delivered to site as steelwork is erected on a just in time basis.

The earthworks and foundations for the Jig & Mill have now been completed with construction of the Jig & Mill on schedule for Q4 2018.

We expect to complete construction of the crusher and the jig in the December quarter and the concentrator in the first quarter of 2019.

PORTUGUESE PROJECTS

Régua Tungsten Project

Significant progress continues at Régua, a high grade, development-ready tungsten project with low capital cost. The project, which has a Trial Mine Licence to 19 June 2020, has a current JORC compliant mineral resource of 5.46mt at a grade of 0.28% WO₃, with an indicated resource of 3.76mt at a grade of 0.304% WO₃. In July, the Portuguese Secretary of State for Energy under the Ministry for the Economy granted a further one-year extension to the Régua Trial Mine Licence.

Régua's high ROM grade (at greater than 0.3% WO₃) and proximity to a crushing facility are likely to prove beneficial to the project economics.

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

The Company has now secured all approvals, and in February 2018 W cleared the last hurdle for development when the purchase of 20.3 hectares of land covering the main area of the Régua mine, for a consideration of €300,000, was concluded. This land covers the outcropping resource of the deposit along with the trial mine facilities including the portals and the underground projected stopes.

Preparatory mine grade control drilling commenced in Q2 2018 with nearly 2,000m of RC drilling completed during July. Diamond core drilling is underway and preparatory mine works will commence following analysis of results.

Tarouca Tungsten Project

In 2015, trench sampling at the Tarouca project showed high grade tungsten results with 15 out of the 126 samples exceeding 0.5% WO₃, including 0.8m at 11.4% WO₃ (TTR063). Together with the 15 holes drilled in 2014, this confirms an outstanding exploration target in the north-eastern area of the licence.

The Company is working towards consolidating the prior exploration programmes completed to date by carrying out a reverse circulation ("RC") drilling campaign. In April 2018, the team carried out a month-long RC drilling programme including 29 holes with 1,515 metres of total drilling, completed in depths of 5 to 70 metres.

Initial results have reported some very high-grade tungsten zones have been intersected which provides greater reassurance that this project can provide additional high-grade feed to the Régua mine development, just 20km to the north. The results provide greater clarity on the geological structure and the potential to follow grade extensions. The full assay results are expected to be received in Q3 2018, following which the development team will model the mineralised lenses in order to advance a geological resource at Tarouca.

The outcome of the drilling campaign at Tarouca will assist to further delineate the resource with a view to increasing our overall tungsten resource and production base and apply for a trial mine licence later in 2018.

W RESOURCES PLC
CHAIRMAN'S STATEMENT TO THE INTERIM RESULTS
FOR THE SIX MONTHS TO 30 JUNE 2018

CAA Portalegre - Gold

São Martinho currently has a JORC gold resource of over 110,000oz. Results from the drilling campaign in 2017 provided very promising results with a thick intersection of over 55m of gold at 2.34g/t. These results provide a solid base to drive extension drilling with the potential for a materially larger resource.

In May 2018, the Portuguese technical team commenced a 15 hole, 2,000m RC drilling programme with a view to materially increase the JORC resource. Initial results were received in July 2018 which highlight continued strong gold intersections, enabling the team to further delineate the deposit. The evaluation work on this programme remains ongoing.

The overall results of the RC drilling campaign will form part of the update for the upgrade to the JORC compliant mineral resource estimate which is expected to be completed in H2 2018.

Monforte-Tinoca - Copper

The Monforte-Tinoca Copper exploration licence, which contains the Tinoca and Azeiteiros former copper mines, was granted to W in July 2016 and this project will be advanced during 2018. Geophysics surveys are currently underway using both Induced Polarisation / Electric Resistivity and Transient Electromagnetics methods across the target Copper zones.

The geophysics surveys are expected to pin point the copper anomaly and extensions of the former high-grade copper mines. RC drilling (1,500m in total) was completed mid-year.

Finance

In April 2018 the Company completed a placing to raise £1.5 million through the placement of 300,000,000 ordinary shares of 0.1p per share ("Ordinary Shares") at 0.5p per Ordinary Share.

Executive Appointments

In September, the Company announced the executive appointments of Juan Garcia Valledor as La Parrilla Operations Manager and Tomás Bragado as La Parrilla Plant Manager. Both executives have extensive operational experience in the Spanish mining and metals industry and join W's executive team in the lead up to the start of mining and completion of construction of the crusher and jig & mill prior to the end of the year and the concentrator plant in the new year.

Outlook

La Parrilla is funded and under full project development. The project is on schedule and on budget and tungsten and tin production and sales are set to commence at large scale production levels and at low cost in 2019. Achievement of this objective will transform W Resources.

Régua in Portugal is approved and advanced and will follow closely behind the development of La Parrilla. Exploration success at Tarouca will feed into and further enhance Régua hub development economics.

Steady advanced exploration progress at our São Martinho gold and Tinoca copper projects will further enhance investor returns.

The team with the strong support of the Board is executing development well and this is a credit to the calibre of the management team.

Mr M Masterman
Chairman
W Resources Plc
10 September 2018

W RESOURCES PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Unaudited Six Months to 30 June 2018 £(000's)	Unaudited Six Months to 30 June 2017 £(000's)	Year to 31 December 2017 £(000's)
Continuing Operations			
Revenue	-	-	-
Cost of Sales	-	-	-
Gross Loss	-	-	-
Administrative Expenses	(639)	(371)	(711)
Exceptional Items	-	-	-
Operating Loss	(639)	(371)	(711)
Finance Costs	(279)	(10)	(21)
Exchange Gain/(Loss)	(1,084)	-	-
Finance Income	-	-	-
Loss before Income Tax	(2,002)	(381)	(732)
Income Tax	68	-	(126)
Loss for the Period	(1,934)	(381)	(858)
Other Comprehensive Income			
Share Based Payment	-	-	-
Translation Reserve Movement	105	333	433
Share Options issued/related	-	-	-
Total Comprehensive (Loss)/Profit for the period	(1,829)	(48)	(425)
Basic and Diluted Loss per Share	(0.03p)	(0.008p)	(0.02p)

W RESOURCES PLC
GROUP FINANCIAL POSITION
30 JUNE 2018

	Unaudited 30 June 2018 £(000's)	Unaudited 30 June 2017 £(000's)	31 December 2017 £(000's)
ASSETS			
NON-CURRENT ASSETS			
Intangible Fixed Assets	17,761	12,810	13,618
Tangible Fixed Assets	<u>7,345</u>	<u>2,171</u>	<u>2,204</u>
	<u>25,106</u>	<u>14,981</u>	<u>15,822</u>
CURRENT ASSETS			
Inventories	47	-	47
Trade and Other Receivables	4,037	851	1,055
Cash and Cash Equivalents	<u>15,058</u>	<u>813</u>	<u>451</u>
	<u>19,142</u>	<u>1,664</u>	<u>1,553</u>
TOTAL ASSETS	<u>44,248</u>	<u>16,645</u>	<u>17,375</u>
EQUITY			
SHAREHOLDERS EQUITY			
Called up share capital	5,478	4,843	5,157
Share premium account	25,340	23,336	24,146
Retained earnings	(16,983)	(14,572)	(15,049)
Merger Reserve	909	909	909
Translation Reserve	885	680	780
Share based Payment Reserve	<u>60</u>	<u>60</u>	<u>60</u>
TOTAL SHAREHOLDERS EQUITY	15,689	15,256	16,003
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	1,218	1,191	902
Financial Liabilities - borrowing interest bearing loans	-	198	344
Tax Payable	57	-	126
	<u>1,275</u>	<u>1,389</u>	<u>1,372</u>
NON-CURRENT LIABILITIES			
Loan Capital	<u>27,284</u>	-	-
TOTAL LIABILITIES	<u>28,559</u>	<u>1,389</u>	<u>1,372</u>
TOTAL EQUITY AND LIABILITIES	<u>44,248</u>	<u>16,645</u>	<u>17,375</u>

W RESOURCES PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Called Up Share Capital £(000's)	Profit and Loss Account £(000's)	Share Premium £(000's)	Merger Reserve £(000's)	Translation Reserves £(000's)	Share Based Payment Reserve £(000's)	Total Equity £(000's)
Balance at 1 January 2018	5,157	(15,049)	24,146	909	780	60	16,003
Issue of Share Capital	321		1,194				1,515
Total Loss for the Period		(1,934)					(1,934)
Unrealised Foreign Exchange Gain					105		105
Total Comprehensive Income		(1,934)			105		(1,829)
Balance at 30 June 2018 (unaudited)	<u>5,478</u>	<u>(16,983)</u>	<u>25,340</u>	<u>909</u>	<u>885</u>	<u>60</u>	<u>15,689</u>
Year to 31 December 2017							
Balance at 1 January 2017	4,360	(14,191)	22,381	909	347	60	13,866
Issue of Share Capital	797		1,765				2,562
Total Comprehensive Income		(858)					(858)
Unrealised Foreign Exchange Loss					433		433
Balance at 31 December 2017	<u>5,157</u>	<u>(15,049)</u>	<u>24,146</u>	<u>909</u>	<u>780</u>	<u>60</u>	<u>16,003</u>
6 Months to 30 June 2017							
Balance at 1 January 2017	4,360	(14,191)	22,381	909	347	60	13,866
Issue of Share Capital	483		955				1,438
Total Loss for the Period		(381)					(381)
Share Based Payment							-
Unrealised Foreign Exchange Gain					333		333
Total Comprehensive Income		(381)			333		(48)
Balance at 30 June 2017 (unaudited)	<u>4,843</u>	<u>(14,572)</u>	<u>23,336</u>	<u>909</u>	<u>680</u>	<u>60</u>	<u>15,256</u>

W RESOURCES PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Unaudited Six Months to 30 June 2018 £(000's)	Unaudited Six Months to 30 June 2017 £(000's)	Year to 31 December 2017 £(000's)
Cash Flows from Operating Activities			
Cash Absorbed by Operations	(4,551)	77	(709)
Interest Paid	-	-	-
Finance Costs paid	(279)	(10)	(21)
	<u>(4,830)</u>	<u>67</u>	<u>(730)</u>
Cash Flows from Investing Activities			
Purchase of intangible fixed assets	(3,790)	(864)	(1,577)
Purchase of tangible fixed assets	(5,228)	(220)	(311)
	<u>(9,018)</u>	<u>(1,084)</u>	<u>(1,888)</u>
Cash Flows from Financing Activities			
New Loans in period	27,284	-	168
Loan Repayments in period	(344)	35	(35)
Share Issue	321	483	797
Share Premium	1,269	1,018	1,895
Share Issue costs	(75)	(63)	(113)
Net Cash for Financing Activities	<u>28,455</u>	<u>1,473</u>	<u>2,712</u>
Increase/(Decrease) in Cash and Cash Equivalents			
Cash and Cash Equivalent at Beginning of Period	14,607	456	94
	<u>451</u>	<u>357</u>	<u>357</u>
Cash and Cash Equivalent at end of Period	<u>15,058</u>	<u>813</u>	<u>451</u>
Reconciliation of Cash Flows from Operations			
Loss before Tax	(2,002)	(381)	(732)
Depreciation	106	105	212
Exchange Difference on Translation	(268)	(3)	(7)
Finance Costs	279	10	21
	<u>(1,885)</u>	<u>(269)</u>	<u>(506)</u>
(Increase) / Decrease in Trade and Other Receivables	(2,982)	41	(163)
Increase/(Decrease) in Trade and Other Payables	316	305	7
(Increase)/Decrease in Inventories	-	-	(47)
Cash Absorbed by Operations	<u>(4,551)</u>	<u>77</u>	<u>(709)</u>

W RESOURCES PLC
NOTES TO THE INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018

1. BASIS OF PREPARATION

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

As an AIM listed 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 2017, and which will continue to be used for the financial statements for the year ended 31 December 2018.

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 10 September 2018.

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 anytime the financial position of the Company and the Group.

2. INCOME TAX

A tax refund of £68,000 arises on the loss on ordinary activities for the six months ended 30 June 2018.

3. LOSS PER ORDINARY SHARE

Basic and Diluted Loss Per Share

	Loss (£000's)	Weighted Average Number of Shares	Per Share Amount Pence
6 Months to 30 June 2018 (unaudited)	(1,829)	5,316,117,225	(0.03p)
6 Months to 30 June 2017 (unaudited)	(48)	4,517,954,536	(0.008p)
Year to 31 December 2017 (Audited)	(858)	4,762,658,488	(0.02p)