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Chairman's Report

Dear Shareholders,

2017 proved to be the critical year to lay the foundations for the financing and move to full development of La Parrilla and Régua in North-western Portugal.

In early 2018, W Resources delivered on its objective to fund the La Parrilla Mine in South-western Spain and is rapidly moving to complete construction and commissioning of the mine and processing plant as well as advancing its core Portuguese Tungsten, Copper and Gold assets. La Parrilla was fully funded on 15 February 2018 through a US\$35m Term Loan facility from BlackRock Financial Management Inc. ("BlackRock"), and development of the La Parrilla tungsten and tin mine is on schedule for the completion in the first quarter of 2019.

During the course of 2017, European ammonium paratungstate ("APT") rose by over 60% to current price levels of over US\$330/mtu, creating very solid market conditions to bring W's tungsten mines on stream.

The large scale low-cost nature of W's La Parrilla and Régua tungsten projects sets the Company in good stead to be competitive in all market conditions and generate strong returns.

Tungsten and Tin

La Parrilla – Spain

La Parrilla is a large scale, low-cost, long life Tungsten and Tin Mine, located 300km south of Madrid. Australasian Joint Ore Reserves Committee ("JORC") compliant resources total 49 million tonnes ("mt") at a grade of 998 parts per million ("ppm") tungsten trioxide ("WO₃") and JORC compliant reserves of 29.8mt at a diluted grade of 931ppm WO₃.

The development towards first ore in Q1 2019 at La Parrilla remains a key focus now that the financing and key contracts are all in place. Development work is underway targeting first ore and ramp-up in Q1 2019 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.

Key Milestones

- JORC Resource upgrade completed with Maiden JORC Reserves, further underpinning the strong fundamentals of La Parrilla.
- Key contracts awarded for the Jig & Mill, Concentrator and Crusher.
- Financial Investment Decision ("FID") Report finalised (released 25 August 2017) further reaffirming the project as a large scale, long life, low-cost tungsten and tin mine.
- Completed the US\$35m debt funding from BlackRock in February 2018.
- Grant application submitted to the Junta de Extremadura Government in Spain, who awarded a Grant of €5.3m to W's 100% owned subsidiary, Iberian Resources Spain SL in March 2018.

Contract Awards

All major plant components for La Parrilla are now contracted and currently being built.

In April 2017, W announced the award of the Design and Construction Contract for the La Parrilla Jig and Mill to allmineral Aufbereitungstechnik GmbH & Co. KG ("allmineral") of Germany at a contract price of €4.98m. allmineral is providing vendor finance for just under 50% of the contract price on very competitive terms. Subsequently, in January 2018, allmineral was also awarded the Concentrator Contract at a contract price of €8m.

In August 2017, W awarded the Crusher Plant contract to Metso Minerals Portugal, Lda, a subsidiary of Metso Corporation, one of the world's leading suppliers of crusher equipment, for €1.2m.



Chairman's Report continued

Resource Upgrade

In May, W confirmed an increase in the grades and an upgrade in resource categorisation of its JORC (2012) Resource for La Parrilla, with an upgraded Resource Report completed by Golder Associates Ltd, following a successful programme of infill drilling in 2016. Measured plus Indicated Resources now total 36 million tonnes at the grades set out in the following table.

Classification	Tonnage (Mt)	WO ₃ (ppm)	Sn (ppm)
Measured	1	1,115	278
Indicated	35	1,004	110
Inferred	13	974	97
Total	49	998	110

In June, W announced its Maiden Ore Reserves for the La Parrilla mine, prepared in accordance with the JORC Code 2012. The mine life under the reserve mine schedule is 11 years and the grades feed to the plant are higher in the early years of mine life contributing to increased production and projected cash flows in the critical early years.

La Parrilla Proven and Probable Mineral Reserves – JORC 2012

	Tonnes '000	Grade WO ₃ (ppm)	Metal Content WO ₃ (t)	Grade Sn (ppm)	Metal Content Sn (t)
Proven	1,177	995	1,171	251	295
Probable	28,577	928	26,511	111	3,156
Total	29,754	931	27,683	116	3,451

Note: Estimate for La Parrilla Deposit using a 330ppm WO₃ Cut-Off Grade and 5% dilution. All tonnes quoted are dry tonnes. Differences in the addition of tonnes to the total displayed is due to rounding.

Grants

W formally submitted the final Grant Application to the Junta de Extremadura Government for the La Parrilla tungsten and tin project in May 2017. The Grant Application was for a percentage of the €19.5m plant and facilities package for the La Parrilla Fast Track Mine development, which includes the Crusher, Jig & Mill Plant, and the Concentrator.

The Government evaluated the full application and in March 2018 W's 100% owned subsidiary, Iberian Resources Spain SL ("IRS"), was awarded €5.3m of grant funds, or 32% (at the upper-end range) of the €16.6m plant and facilities package that qualified for grant contribution.

The Grant will be paid by the Junta de Extremadura Government to IRS once the fulfilment of all conditions (including the completion of the plant and facilities and meeting the target employment levels), as outlined in the application, have been verified in an audit by the Junta de Extremadura Government.

Régua – Portugal

Significant progress was also made at Régua in Northern Portugal.

Régua 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 to 19 June 2020.

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.



Chairman's Report continued

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 will commence in Q2 2018.

Tarouca – Portugal

In September, the Portuguese Secretary of State for Energy under the Ministry for the Economy approved W's application to extend the Tarouca licence for a further two-year period. The extended Tarouca licence will expire on 23 March 2019.

In 2015, trench sampling at the Tarouca project showed high-grade tungsten results with 15 out of 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.

Intersections are expected from surface to a maximum of 50-metre depth, based on the very distinctive mineralisation at surface. 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. Tarouca is just 20km from Régua and has the potential to enhance and expand the Régua development.

Copper Gold Resources

With continued strengthening of both copper and gold prices, the fundamentals of the Copper and Gold projects look increasingly compelling.

In March 2017, following the full review, W concluded that there is a significant opportunity to accelerate the development of its copper and gold projects by focusing dedicated funding in this area which will increase the value of these assets.

Following the successful BlackRock financing, which has a senior secured position over both the Spanish and Portuguese assets, the Company's plan is to now add very significant value to the copper gold assets during 2018 and add additional licenses and projects to the current portfolio.

With management's priority and focus on the successful execution of La Parrilla, it is most efficient for the dedicated Portuguese technical team to advance the assets.

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.

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.



Chairman's Report continued

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) is expected to commence in H2 2018.

Commodity Pricing

Tungsten prices significantly recovered in 2017 with the European APT now up 60% since 1 January 2017 at over US\$330/mtu, with commentators predicting it will surpass the US\$350 mark in 2018. The continued emerging shortages of Tungsten concentrate bodes well for forward looking pricing projections.

Tin prices have surged from US\$13,500 per tonne at the beginning of 2016 reaching a current price of over US\$21,000 per tonne. The prospect of higher tin content and continued strengthening in the tin price provides potential for higher revenues and lower costs after by-product credits in the early years of production at La Parrilla.

Copper has jumped 20% since the end of May 2017 helped by positive economic data from China, the world's biggest consumer of commodities, and a weak US dollar. Copper for delivery in three months on the London Metal Exchange is currently trading at US\$6,866 per tonne.

Gold has continued to increase, hitting US\$1,347/oz in April 2018.

Finance

W raised £2.6 million in five placings in 2017. The funds raised were predominately used to advance approvals, engineering procurement and development for the 2mtpa ROM/2,700tpa concentrate La Parrilla expansion, commence hard rock production at the La Parrilla mine, complete the highly successful São Martinho drilling campaign and to provide general working capital.

Finance activity continues to be focused on financing the construction and development at the La Parrilla mine.

The Company recorded an after-tax loss of £858,000 in 2017, compared to a loss of £854,000 in 2016.

Outlook

The key priority and focus for the Company is to complete construction development and commissioning of La Parrilla. Market conditions are strong and the development is well timed to meet emerging supply shortages.

In parallel our Tungsten, Copper and Gold projects in Portugal will be advanced.

The Board would like to thank the technical and corporate teams for their hard work and dedication throughout the year in reaching the very important milestones and we look forward to delivering our 2018 objectives on time and on budget.

Mr M Masterman

Chairman

1 June 2018



Group Strategic Report

The directors present their strategic report of the company and the group for the year ended 31 December 2017.

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

A handwritten signature in black ink that reads "Michael Masterman".

Mr M Masterman

Chairman

1 June 2018



Report of the Directors

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2017.

Principal Activity

The principal activity of the group in the year under review was that of tungsten, tin, copper and gold exploration and development through its 100% subsidiaries Iberian Resources Spain SL and Copper Gold Resources Plc, formerly 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 2017.

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 2017 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.

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 and M Masterman waived their right to Director's fees for the year under review. D Garland was paid £1,000 per month in fees during the year. M Masterman, through his consultancy company, was entitled to £10,000 per month in consultancy fees during the year. These fees remain outstanding at the balance sheet date and have been accrued in other creditors.



Report of the Directors continued

On 2 December 2016, Share Options were granted to the directors as follows:

Director	Number of Options	Exercise Price	Expiry Date
Michael Masterman	20,000,000	€0.007	31/12/2020
	10,000,000	€0.008	31/12/2020
	10,000,000	€0.01	31/12/2020
Byron Pirola	20,000,000	€0.007	31/12/2020
	10,000,000	€0.008	31/12/2020
	10,000,000	€0.01	31/12/2020
David Garland	20,000,000	€0.007	31/12/2020
	10,000,000	€0.008	31/12/2020
	10,000,000	€0.01	31/12/2020

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 David 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 the 24 May 2018, 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*	909,998,782	16.61
Hansource Investments Ltd**	333,333,333	6.08
Beronia Investments Pty Ltd (Dr B Pirola)***	296,638,318	5.42
M Garvie	230,000,000	4.20
H Masterman*	171,066,866	3.12

* Related Party

** Refer to RNS 3 May 2018

*** Includes related party interests

Please refer to website <http://www.wresources.co.uk/shareholder-information>

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.



Report of the Directors *continued*

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 both 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.

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.



Report of the Directors *continued*

Going Concern

The Directors are satisfied that the Group has sufficient resources to continue its operation and to meet its commitments in the foreseeable future. The Directors have reviewed and agreed detailed cash flow forecasts covering the period up to 12 months after the date of signing these financial statements in order to support this opinion. The financial statements have therefore been prepared on the going concern basis.

Events since the Balance Sheet Date

W Resources signed a Credit and Guaranty Agreement with BlackRock Financial Management Inc. to provide a US\$35 million secured term loan facility to the Company to fund the La Parrilla mine development (the "Loan"). The first US\$13.125 million was drawn in February 2018 with the balance of US\$21.875 million drawn in May 2018.

The key terms of the Credit and Guaranty Agreement with BlackRock Financial Management Inc. are as follows:

- The Loan is for a scheduled term of five years, with a two year non call period. The Company has the right to repay the Loan after two years for a premium of 5%, after three years for a premium of 3%, and after four years for no premium;
- Subject to any early repayment permitted or required under the Agreement, repayment will be made by way of a cash flow sweep, utilising free cash to repay the loan;
- The Loan is subject to an average 5 year interest rate of 12.6%, being 14% in the first year, 13% in the second year and 12% thereafter;
- First year interest is Payable in Kind ("PIK") and added to the principal, while 50% of the second year interest is PIK and 50% is payable in cash;
- Lenders will receive a non-refundable upfront fee of 3% of the face value of each of the respective Loan disbursements;
- Lenders will receive warrants totalling 5% of W Resources Plc fully diluted equity.

In February 2018, Beronia Investments Pty Ltd ATF Duke Trust, of which Dr Byron Pirola (a director of the Company) is both a beneficiary and trustee and Symmall Pty Limited, of which Mr Michael Masterman (a director of the Company) is both a beneficiary and trustee, lent the Company short term loans of €100,000 each. The loans were unsecured and carried an interest rate of 10% per annum. Both of the loans were repaid in March 2018.

The Company purchased 20.3 hectares of land through Iberian Resources Portugal Recursos Minerais Unipessoal LDA (a 100% owned subsidiary of Copper Gold Resources Plc) covering the main area of the Régua mine in February 2018, for a consideration of €300,000. The 20.3 hectares of land covers the outcropping resource of the Régua deposit along with the trial mine facilities including the portals and the underground projected stopes.

Iberian Resources Spain SL (a 100% owned subsidiary of W), was awarded a grant of €5,322,970 (the "Grant") by the Junta de Extremadura Government for the La Parrilla tungsten and tin project located in Spain. The Grant equates to 32% (at the upper-end range) of the €16.6m plant and facilities package that qualified for grant contribution. The Grant will be paid by the Junta de Extremadura Government to IRS once the fulfilment of all conditions (including the completion of the plant and facilities and meeting the target employment levels), as outlined in the application, have been verified in an audit by the Junta de Extremadura Government. The conditions of the Grant need to be fulfilled by 14 March 2020.

In February 2018, Iberian Resources Spain SL (a 100% owned subsidiary of W) paid Mr Michael Masterman €168,000 due for outstanding consultancy fees for the period of September 2015 to December 2017. Consultancy fees due to Mr Michael Masterman from Iberian Resources Portugal Recursos Minerais Unipessoal LDA (a 100% owned subsidiary of Copper Gold Resources Plc) for the for the period of September 2015 to December 2017 remain outstanding.

The Company raised €1,500,000 through a placing and warrants of €90,000 have been exercised since the year end.

W has issued 307,605,430 warrants on a pro-rata basis to each of the BlackRock funds that participated in the US\$35m funding, representing 5% of W's fully diluted equity.



Report of the Directors *continued*

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Group Strategic Report, 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

Mr M Masterman

Chairman

1 June 2018



Report of the Independent Auditors to the Members of W Resources Plc

Opinion

We have audited the financial statements of W Resources Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2017 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows, and the related notes 1 to 22, including the significant accounting policies in note 1.

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.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2017 and of the Group's and the Parent Company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of intangible non-current assets – Exploration and evaluation costs

The Group's Intangible Non-Current Assets which comprise of Acquisition and Development Expenditure at the La Parrilla Mine project in Spain and various mineral projects in Portugal represents a significant asset on its statement of financial position totalling £13,618,000 as at 31 December 2017. The carrying values are split £10,299,000 for La Parrilla, £3,319,000 for the Portuguese projects.

Management and the Board are required to ensure that only costs which meet the IFRS criteria of an asset and accord with the Group's accounting policy are capitalised within Development Expenditure assets. Additionally in accordance with the requirements of IFRS, Management and the Board are required to assess whether there is any indication of impairment of these assets.



Report of the Independent Auditors to the Members of W Resources Plc *continued*

Given the significance of the intangible non-current assets on the Group's statement of financial position and the significant management judgement involved in the determination and the assessment of the carrying values of these assets there is an increased risk of material misstatement.

How the Matter was addressed in the Audit

The procedures included, but were not limited to, assessing and evaluating management's assessment of whether any impairment indicators have been identified within the Group's intangible non-current assets, the indicators being:

- Expiring or imminently expiring concessions, licences or rights;
- Projections of declining tungsten and tin prices and/or declining demand;
- Projections of increased future capital costs or operating costs.

In addition, we reviewed the May 2017 upgraded Resource Report completed by Golder Associates Ltd which supports the underlying value of La Parrilla Mine project and assessed the reasonableness of the forecasted revenues and expenditure, the reserve estimations, the projected mineral grades and prices and production levels to confirm the resulting net present values being comfortably in excess of the carrying values.

We similarly reviewed the JORC mineral resource estimates available for the Portuguese mineral projects together with other available Competent Person Reports to satisfy ourselves that an Impairment charge was not necessary on any of the projects.

We also assessed the disclosures included in the financial statements and our results found the carrying value for intangible non-current assets to be acceptable in addition to the lack of an Impairment charge being reasonable.

The materiality for the group financial statements as a whole was set at £160,000, being 1% of Group Net Assets, with a lower materiality set at £110,000 for intangible non-current assets.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and Strategic Report have been prepared in accordance with applicable legal requirements.



Report of the Independent Auditors to the Members of W Resources Plc *continued*

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit we have not identified material misstatements in the Directors' Report and Strategic Report. We have nothing to report in respect of the following matters in relation to which 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.

Keith Fulton (Senior Statutory Auditor)

for and on behalf of Chapman Davis LLP
Statutory Auditor
Chartered Accountants
2 Chapel Court,
London, SE1 1HH

1 June 2018



Consolidated Income Statement and Statement of Other Comprehensive Income

For the year ended 31 December 2017

	Notes	2017 £'000	2016 £'000
Continuing operations			
Revenue	2	–	140
Cost of sales		–	(141)
Gross loss			
		–	(1)
Administrative expenses		(711)	(680)
Exceptional items		–	(149)
Operating loss			
		(711)	(830)
Finance costs	4	(21)	(24)
Loss before income tax			
	5	(732)	(854)
Income tax	6	(126)	–
Loss for the year			
		(858)	(854)
Other comprehensive income			
Items that will not be reclassified to the income statement:			
Translation reserve		433	1,639
Share warrants expired		–	(77)
Share options issued		–	60
Income tax relating to items of other comprehensive income		–	–
Other comprehensive income for the year, net of income tax			
		433	1,622
Total comprehensive income for the year			
		(425)	768
Loss per share expressed in pence per share:			
Basic	8	-0.02	-0.02
Diluted		-0.02	-0.02



Consolidated Statement of Financial Position

31 December 2017

	Notes	2017 £'000	2016 £'000
Assets			
Non-current assets			
Intangible assets	9	13,618	11,718
Property, plant and equipment	10	2,204	1,983
Investments	11	–	–
		15,822	13,701
Current assets			
Inventories	12	47	–
Trade and other receivables	13	1,055	892
Cash and cash equivalents	14	451	357
		1,553	1,249
Total assets		17,375	14,950
Equity			
Shareholders' equity			
Called up share capital	15	5,157	4,360
Share premium	16	24,146	22,381
Share based payment reserve	16	60	60
Merger reserve	16	909	909
Translation reserve	16	780	347
Retained earnings	16	(15,049)	(14,191)
Total equity		16,003	13,866
Liabilities			
Current Liabilities			
Trade and other payables	17	902	895
Financial liabilities – borrowings			
Interest bearing loans and borrowings	18	344	189
Tax payable		126	–
		1,372	1,084
Total liabilities		1,372	1,084
Total equity and liabilities		17,375	14,950

The financial statements were approved by the Board of Directors on 1 June 2018 and were signed on its behalf by:

M G Masterman
Chairman

1 June 2018



Company Statement of Financial Position

31 December 2017

	Notes	2017 £'000	2016 £'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	17,665	15,057
Cash and cash equivalents	14	191	113
		17,856	15,170
Total assets		19,376	16,690
Equity			
Shareholders' equity			
Called up share capital	15	5,157	4,360
Share premium	16	24,146	22,381
Share based payment reserve	16	60	60
Merger reserve	16	909	909
Translation reserve	16	(98)	(98)
Retained earnings	16	(11,267)	(11,261)
Total equity		18,907	16,351
Liabilities			
Current liabilities			
Trade and other payables	17	344	339
Tax payable		125	–
		469	339
Total liabilities		469	339
Total equity and liabilities		19,376	16,690

The financial statements were approved by the Board of Directors on 1 June 2018 and were signed on its behalf by:

M G Masterman
Chairman

1 June 2018



Consolidated Statement of Changes in Equity

For the year ended 31 December 2017

	Called up share capital £'000	Retained earnings £'000	Share premium £'000
Balance at 1 January 2016	3,694	(13,337)	20,316
Changes in equity			
Issue of share capital	666	–	2,065
Total comprehensive income	–	(854)	–
Balance at 31 December 2016	4,360	(14,191)	22,381
Changes in equity			
Issue of share capital	797	–	1,765
Total comprehensive income	–	(858)	–
Balance at 31 December 2017	5,157	(15,049)	24,146

	Share based payment reserve £'000	Merger Reserve £'000	Translation Reserve £'000	Total equity £'000
Balance at 1 January 2016	77	909	(1,292)	10,367
Changes in equity				
Issue of share capital	–	–	–	2,731
Total comprehensive income	(17)	–	1,639	768
Balance at 31 December 2016	60	909	347	13,866
Changes in equity				
Issue of share capital	–	–	–	2,562
Total comprehensive income	–	–	433	(425)
Balance at 31 December 2017	60	909	780	16,003



Company Statement of Changes in Equity

For the year ended 31 December 2017

	Called up share capital £'000	Retained earnings £'000	Share premium £'000
Balance at 1 January 2016	3,694	(12,889)	20,316
Changes in equity			
Issue of share capital	666	–	2,065
Total comprehensive income	–	1,628	–
Balance at 31 December 2016	4,360	(11,261)	22,381
Changes in equity			
Issue of share capital	797	–	1,765
Total comprehensive income	–	(6)	–
Balance at 31 December 2017	5,157	(11,267)	24,146

	Share based payment reserve £'000	Merger Reserve £'000	Translation Reserve £'000	Total equity £'000
Balance at 1 January 2016	77	909	(98)	12,009
Changes in equity				
Issue of share capital	–	–	–	2,731
Total comprehensive income	(17)	–	–	1,611
Balance at 31 December 2016	60	909	(98)	16,351
Changes in equity				
Issue of share capital	–	–	–	2,562
Total comprehensive income	–	–	–	(6)
Balance at 31 December 2017	60	909	(98)	18,907



Consolidated Statement of Cash Flows

For the year ended 31 December 2017

	Notes	2017 £'000	2016 £'000
Cash flows absorbed by operating activities			
Cash absorbed by operations	1	(709)	(714)
Interest paid		(21)	(15)
Net cash absorbed by operating activities		(730)	(729)
Cash flows from investing activities			
Purchase of intangible fixed assets		(1,577)	(2,233)
Purchase of tangible fixed assets		(311)	(31)
Net cash outflows from investing activities		(1,888)	(2,264)
Cash flows from financing activities			
New loans in year		168	15
Loan repayments in year		(35)	(144)
Amount introduced by directors		16	–
Share issue		797	637
Share issue premium		1,879	2,067
Share issue costs		(113)	(89)
Net cash from financing activities		2,712	2,486
Increase/(decrease) in cash and cash equivalents		94	(507)
Cash and cash equivalents at beginning of year	2	357	864
Cash and cash equivalents at end of year	2	451	357



Company Statement of Cash Flows

For the year ended 31 December 2017

	Notes	2017 £'000	2016 £'000
Cash flows absorbed by operating activities			
Cash absorbed by operations	1	(2,570)	(3,206)
Net cash absorbed by operating activities		(2,570)	(3,206)
Cash flows from investing activities			
Interest received		85	559
Net cash from investing activities		85	559
Cash flows from financing activities			
Share issue		797	637
Share premium		1,879	2,067
Share issue costs		(113)	(89)
Net cash from financing activities		2,563	2,615
Increase/(decrease) in cash and cash equivalents		78	(32)
Cash and cash equivalents at beginning of year	2	113	145
Cash and cash equivalents at end of year	2	191	113



Notes to the Statements of Cash Flows

For the year ended 31 December 2017

1. Reconciliation of loss/profit before income tax to cash generated from operations

Group

	2017 £'000	2016 £'000
Loss before income tax	(732)	(854)
Depreciation charges	212	205
Loss on disposal of fixed assets	–	8
Share based payment	–	116
Translation reserve	(7)	73
Share warrants expired	–	(77)
Share options issued	–	60
Finance costs	21	24
	(506)	(445)
Increase in inventories	(47)	–
Increase in trade and other receivables	(163)	(318)
Increase in trade and other payables	7	49
Cash absorbed by operations	(709)	(714)

Company

	2017 £'000	2016 £'000
Profit before income tax	119	1,628
Share based payments	–	116
Increase in inter-group loans	(2,624)	(4,468)
Share warrants expired	–	(77)
Share options issued	–	60
Finance costs	–	9
Finance income	(85)	(559)
	(2,590)	(3,291)
(Increase)/decrease in trade and other receivables	(6)	26
Increase in trade and other payables	26	59
Cash absorbed by operations	(2,570)	(3,206)

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	
	31 December 2017 £'000	1 January 2017 £'000	31 December 2017 £'000	1 January 2017 £'000
Year ended 31 December 2017				
Cash and cash equivalents	451	357	191	113
	357	864	113	145
Year ended 31 December 2016				
Cash and cash equivalents	357	864	113	145
	357	864	113	145



Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

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 Group

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 Group, as standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2017 are not material to the Group.

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 15 in respect of Revenue from Contracts with Customers which will be effective for accounting periods beginning on or after 1 January 2018.
- IFRS 16 in respect of Leases which will be effective for accounting periods beginning on or after 1 January 2019.
- IFRS 17 Insurance Contracts (effective date 1 January 2021).

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

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company, Iberian Resources Spain SL, Copper Gold Resources Plc, Iberian Resources Portugal, Recursos Minerais, Unipessoal, Lda. 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.



Notes to the Consolidated Financial Statements

continued

1. Accounting policies continued

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.

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.



Notes to the Consolidated Financial Statements

continued

1. Accounting policies continued

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.

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 2017 are presented in the functional currency, Sterling £'000s unless otherwise stated.

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 1 June 2018.

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 Income Statement 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 Directors have reviewed and agreed detailed cash flow forecasts covering the period up to 12 months after the date of signing these financial statements in order to support this opinion. 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.



Notes to the Consolidated Financial Statements

continued

1. Accounting policies continued

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 Income Statement, 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.

Share Based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 21.

The fair value determined at the grant date of the equity-settled share-based payments is expenses on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each Statement of Financial Position date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the Income Statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Fair value is measured by use of the Black- Scholes Model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

2. Segmental reporting

2016

	Corporate £'000	Mineral Exploration £'000	Total £'000
By Business Segment:			
Gain/(Loss) for the year	1,628	(2,482)	(854)
Balance Sheet – Segment Assets	143	14,807	14,950
– Segment Liabilities	(203)	(881)	(1,084)
Net Assets	(60)	13,926	13,866
	Iberia £'000	UK £'000	Total £'000
By Geographical Sector:			
Loss for the year	(2,482)	1,628	(854)
Balance Sheet – Segment Assets	14,807	143	14,950
– Segment Liabilities	(881)	(203)	(1,084)
Net Assets	13,926	(60)	13,866



Notes to the Consolidated Financial Statements

continued

2. Segmental reporting continued

2017

	Corporate £'000	Mineral Exploration £'000	Total £'000
By Business Segment:			
Gain/(Loss) for the year	(26)	(832)	(858)
Balance Sheet – Segment Assets	229	17,146	17,375
– Segment Liabilities	(361)	(1,011)	(1,372)
Net Assets	(132)	16,135	16,003
	Iberia £'000	UK £'000	Total £'000
By Geographical Sector:			
Loss for the year	(832)	(26)	(858)
Balance Sheet – Segment Assets	17,146	229	17,375
– Segment Liabilities	(1,011)	(361)	(1,372)
Net Assets	16,135	(132)	16,003

3. Employees and directors

During the year £126,969 (2016: £56,000) of staff costs were capitalised in Intangible Assets. The average monthly number of employees during the year was as follows:

	2017	2016
Management & Administration	3	3
Technical	6	3

Directors' remuneration

	2017		2016		
	Consultancy £'000	Director's Fee £'000	Share Options	Consultancy £'000	Director's Fee £'000
M Masterman	120	–	20	120	–
B Pirola	–	–	20	–	–
D Garland	–	12	20	–	12
Total	120	12	60	120	12

4. Net finance costs

	2017 £'000	2016 £'000
Finance costs:		
Other interest	21	24



Notes to the Consolidated Financial Statements

continued

5. Loss before income tax

The loss before income tax is stated after charging:

	2017 £'000	2016 £'000
Cost of sales	–	141
Depreciation – owned assets	157	152
Loss on disposal of fixed assets	–	8
Intangible assets amortisation	54	53
Auditors' remuneration	26	24
Auditors' remuneration for non-audit related services	2	1
Exceptional Item	–	149

A total of £120,000 (2016: £160,000) relating to M Masterman's consultancy fees were capitalised in intangible assets in 2017.

The exceptional item in 2016 relates to a review by HMRC of the Company's VAT position resulting in the suspension of the Company's VAT registration number and a deemed irrecoverability of VAT which has been provided for in the financial statements. The Company has disputed HMRC's decision and the review remains ongoing. VAT in the current year has not been reclaimed and expenditure in 2017 is shown gross of VAT, where relevant.

6. Income tax

Analysis of tax expense

	2017 £'000	2016 £'000
Current tax:		
Tax	126	–
Total tax expense in consolidated income statement and statement of other comprehensive income	126	–

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:

	2017 £'000	2016 £'000
Loss before income tax	(732)	(854)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2016 – 20%)	(139)	(171)
Effects of:		
Share options cost disallowed	–	12
Share warrants expired	–	(15)
Share based payment disallowed	–	23
Benefit of losses brought forward	(3,544)	(3,393)
Benefit of losses carried forward	3,684	3,544
Interest taxed above current year losses	123	–
Effect of change in rate of tax	2	–
Tax expense	126	–



Notes to the Consolidated Financial Statements

continued

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 (£6,000) (2016: £1,628,000 Profit). Included within these figures are intra-group exchange gains of £431,000 (2016: £1,616,000) and intra-group interest received of £85,000 (2016: £564,000).

8. Loss per share

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

Diluted loss per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares. The share options issued during 2016 and share warrants issued during 2017 are considered to be anti-dilutive in accordance with IAS 33 as on conversion they would decrease loss per share from continuing operations.

Reconciliations are set out below.

	2017		
	Losses £'000	Weighted average number of shares	Per-share amount pence
Basic LPS			
Loss attributable to ordinary shareholders	(858)	4,762,658,488	(0.02)
Effect of dilutive securities	–	–	–
Diluted LPS			
Adjusted loss	(858)	4,762,658,488	(0.02)
	2016		
	Losses £'000	Weighted average number of shares	Per-share amount pence
Basic LPS			
Loss attributable to ordinary shareholders	(854)	4,004,583,481	(0.02)
Effect of dilutive securities	–	–	–
Diluted LPS			
Adjusted Loss	(854)	4,004,583,481	(0.02)



Notes to the Consolidated Financial Statements

continued

9. Intangible assets

	Intangible assets £'000
Group	
Cost	
At 1 January 2017	11,887
Additions	1,577
Exchange differences	383
At 31 December 2017	13,847
Amortisation	
At 1 January 2017	169
Amortisation for year	54
Exchange differences	6
At 31 December 2017	229
Net book value	
At 31 December 2017	13,618
	Intangible assets £'000
Group	
Cost	
At 1 January 2016	8,349
Additions	2,233
Exchange differences	1,305
At 31 December 2016	11,887
Amortisation	
At 1 January 2016	99
Amortisation for year	53
Exchange differences	17
At 31 December 2016	169
Net book value	
At 31 December 2016	11,718

The above represents capitalised testing works and concessions costs acquired.



Notes to the Consolidated Financial Statements

continued

10. Property, plant and equipment

	Plant and machinery £'000
Group	
Cost	
At 1 January 2017	2,357
Additions	311
Exchange differences	80
At 31 December 2017	2,748
Depreciation	
At 1 January 2017	374
Charge for year	157
Exchange differences	13
At 31 December 2017	544
Net book value	
At 31 December 2017	2,204

	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
Group				
Cost				
At 1 January 2016	2,054	13	6	2,073
Additions	31	–	–	31
Disposals	(62)	(13)	(6)	(81)
Exchange differences	334	–	–	334
At 31 December 2016	2,357	–	–	2,357
Depreciation				
At 1 January 2016	245	13	6	264
Charge for year	152	–	–	152
Eliminated on disposal	(55)	(13)	(6)	(74)
Exchange differences	32	–	–	32
At 31 December 2016	374	–	–	374
Net book value				
At 31 December 2016	1,983	–	–	1,983



Notes to the Consolidated Financial Statements

continued

11. Investments

	Shares in group undertakings £'000
Company	
Cost	
At 1 January 2017 and 31 December 2017	1,520
Net book value	
At 31 December 2017	1,520
At 31 December 2016	1,520
	Shares in group undertakings £'000
Cost	
At 1 January 2016 and 31 December 2016	1,520
Net book value	
At 31 December 2016	1,520

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

Registered office: Finca La Parrilla, 10132 Almoharin Caceres, Spain

Nature of business: Tungsten mining, production, exploration

Class of shares:	%		
	holding	2017	2016
		£'000	£'000
Ordinary	100.00		
Aggregate capital and reserves		(2,402)	(2,001)

Copper Gold Resources Plc (Group)

Registered office: 27/28 Eastcastle Street, London W1W 8DH

Nature of business: Tungsten mining exploration, development

Class of shares:	%		
	holding	2017	2016
		£'000	£'000
Ordinary	100.00		
Aggregate capital and reserves		233	258



Notes to the Consolidated Financial Statements

continued

11. Investments continued

Iberian Resources Portugal LDA

Registered office: Lugar das Mozes, 5110-159 Armamar, Portugal

Nature of business: Mineral Exploration

Class of shares:	% holding	2017 £'000	2016 £'000
Copper Gold Resources Plc owns	100.00	121	126

12. Inventories

	Group	
	2017 £'000	2016 £'000
Concentrate for re-sale	47	–

13. Trade and other receivables

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Current:				
Amounts owed by group undertakings	–	–	17,630	15,028
Other debtors	410	527	10	6
Prepayments	645	365	25	23
	1,055	892	17,665	15,057

14. Cash and cash equivalents

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Bank accounts	451	357	191	113

15. Called up share capital

Allotted and issued:

Number:	Class:	Nominal Value	2017 £'000s	2016 £'000s
5,156,646,034	Ordinary	0.1p	5,157	4,360

796,150,060 Ordinary Shares of 0.1p were issued during the year for cash as follows:

- On 14 March 2017, 214,285,713 Ordinary Shares of 0.1p each were issued at a premium of 0.25p raising £750,000.
- On 20 June 2017, 232,142,857 Ordinary Shares of 0.1p each were issued at a premium of 0.18p raising £650,000. Warrants were also issued alongside these shares on a 1 for 1 basis, with an exercise period of 2 years redeemable at 0.42p per share. None were exercised during the year.



Notes to the Consolidated Financial Statements

continued

15. Called up share capital continued

- On 21 June 2017, 35,714,284 Ordinary Shares of 0.1p each were issued at a premium of 0.18p raising £100,000. Warrants were also issued alongside these shares on a 1 for 1 basis, with an exercise period of 2 years redeemable at 0.42p per share. None were exercised during the year.
- On 3 October 2017, 40,540,540 Ordinary Shares of 0.1p each were issued at a premium of 0.27p raising £150,000 to repay the balance of advances from ICD Alloys and Metals LLP.
- On 12 October 2017, 273,466,666 Ordinary Shares of 0.1p each were issued at a premium of 0.275p raising £1,000,000. Including 6.8m shares to Turner Pope Investments (TPI) Ltd as part placing fees at 0.375p (premium 0.275p).

At the year end there were 267,857,141 Share Warrants in issue that were yet to be exercised.

16. Reserves

Group

	Retained earnings £'000	Share premium £'000	Share based payment reserve £'000
At 1 January 2017	(14,191)	22,381	60
Deficit for the year	(858)	–	–
Cash share issue	–	1,879	–
Cost of share issue	–	(114)	–
At 31 December 2017	(15,049)	24,146	60

Group

	Merger Reserve £'000	Translation Reserve £'000	Totals £'000
At 1 January 2017	909	347	9,506
Deficit for the year	–	–	(858)
Cash share issue	–	–	1,879
Cost of share issue	–	–	(114)
Trans to translation reserve	–	433	433
At 31 December 2017	909	780	10,846

Company

	Retained earnings £'000	Share premium £'000	Share based payment reserve £'000
At 1 January 2017	(11,261)	22,381	60
Deficit for the year	(6)	–	–
Cash share issue	–	1,879	–
Cost of share issue	–	(114)	–
At 31 December 2017	(11,267)	24,146	60



Notes to the Consolidated Financial Statements

continued

16. Reserves continued

Company

	Merger Reserve £'000	Translation Reserve £'000	Totals £'000
At 1 January 2017	909	(98)	11,991
Deficit for the year	–	–	(6)
Cash share issue	–	–	1,879
Cost of share issue	–	–	(114)
At 31 December 2017	909	(98)	13,750

17. Trade and other payables

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Current:				
Trade creditors	740	476	70	46
Amounts owed to group undertakings	–	–	115	136
Other creditors	136	390	136	135
Accrued expenses	26	29	23	22
	902	895	344	339

18. Financial liabilities – borrowings

In June 2017, a short term loan of £35,492 was granted by the Banco Bilbao Vizcaya to Iberian Resources Spain SL. This loan was repaid in its entirety in July 2017. In November 2017, a second loan of £133,097 was granted by the Banco Bilbao Vizcaya to Iberian Resources Spain SL. Repayment. This loan was repaid in its entirety in February 2018.

On 20 October 2014, Beronia Investments Pty granted Iberian Resources Spain SL a short term loan of €200,000 to cover VAT receivables. This remained outstanding at 31 December 2017, and it was repaid in its entirety on 21 February 2018. This loan had an interest rate of 5% per annum. Interest in the year was recognised in the Income Statement of £16,000 (2016: £15,000). The converted balance included in financial liabilities – borrowings at the year-end was £211,000 (2016: £189,000).

19. Related party disclosures

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

M Masterman	87,380,950
D Garland	–
B Pirola	17,857,142

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 remained outstanding at 31 December 2017, and was repaid in its entirety on 21 February 2018, and has an interest rate of 5% per annum. Interest in the year was recognised in the Income Statement of £16,000 (2016: £15,000). The converted balance included in financial liabilities – borrowings at the year-end was £211,000 (2016: £189,000).



Notes to the Consolidated Financial Statements

continued

19. Related party disclosures continued

On 2 December 2016, Share Options were granted to the directors and remain unexercised at the year-end as follows:

Director	Number of Options	Exercise Price	Expiry Date
Michael Masterman	20,000,000	€0.007	31/12/2020
	10,000,000	€0.008	31/12/2020
	10,000,000	€0.01	31/12/2020
Byron Pirola	20,000,000	€0.007	31/12/2020
	10,000,000	€0.008	31/12/2020
	10,000,000	€0.01	31/12/2020
David Garland	20,000,000	€0.007	31/12/2020
	10,000,000	€0.008	31/12/2020
	10,000,000	€0.01	31/12/2020

Included in other creditors is the sum of €280,000 (2016: €160,000) for unpaid consultancy fees due to FeX Limited a company, based in Hong Kong, for the services of M Masterman, and wholly-owned by M Masterman a Director and significant shareholder. During the year consultancy fees of €120,000 were charged to the company by FeX Limited.

20. Events after the reporting period

W Resources signed a Credit and Guaranty Agreement with BlackRock Financial Management Inc. to provide a US\$35 million secured term loan facility to the Company to fund the La Parrilla mine development. The first US\$13.125 million was drawn in February 2018 with the balance of US\$21.875 million drawn in May 2018.

The key terms of the Credit and Guaranty Agreement with BlackRock Financial Management Inc. are as follows:

- The Loan is for a scheduled term of five years, with a two year non call period. The Company has the right to repay the Loan after two years for a premium of 5%, after three years for a premium of 3%, and after four years for no premium;
- Subject to any early repayment permitted or required under the Agreement, repayment will be made by way of a cash flow sweep, utilising free cash to repay the loan;
- The Loan is subject to an average 5 year interest rate of 12.6%, being 14% in the first year, 13% in the second year and 12% thereafter;
- First year interest is Payable in Kind and added to the principal, while 50% of the second year interest is PIK and 50% is payable in cash;
- Lenders will receive a non-refundable upfront fee of 3% of the face value of each of the respective Loan disbursements;
- Lenders will receive warrants totalling 5% of W Resources Plc fully diluted equity.

In February 2018, Beronia Investments Pty Ltd ATF Duke Trust, of which Dr Byron Pirola (a director of the Company) is both a beneficiary and trustee and Symmall Pty Limited, of which Mr Michael Masterman (a director of the Company) is both a beneficiary and trustee, lent the Company short term loans of €100,000 each. The loans were unsecured and carried an interest rate of 10% per annum. Both of the loans were repaid in March 2018.

The Company purchased 20.3 hectares of land through Iberian Resources Portugal Recursos Minerais Unipessoal LDA (a 100% owned subsidiary of Copper Gold Resources Plc) covering the main area of the Régua mine in February 2018, for a consideration of €300,000. The 20.3 hectares of land covers the outcropping resource of the Régua deposit along with the trial mine facilities including the portals and the underground projected stopes.



Notes to the Consolidated Financial Statements

continued

20. Events after the reporting period continued

Iberian Resources Spain SL (a 100% owned subsidiary of W), was awarded a grant of €5,322,970 by the Junta de Extremadura Government for the La Parrilla tungsten and tin project located in Spain. The Grant equates to 32% (at the upper-end range) of the €16.6m plant and facilities package that qualified for grant contribution. The Grant will be paid by the Junta de Extremadura Government to IRS once the fulfilment of all conditions (including the completion of the plant and facilities and meeting the target employment levels), as outlined in the application, have been verified in an audit by the Junta de Extremadura Government. The conditions of the Grant need to be fulfilled by 14 March 2020.

In February 2018, Iberian Resources Spain SL (a 100% owned subsidiary of W) paid Mr Michael Masterman £168,000 due for outstanding consultancy fees for the period of September 2015 to December 2017. Consultancy fees due to Mr Michael Masterman from Iberian Resources Portugal Recursos Minerais Unipessoal LDA (a 100% owned subsidiary of Copper Gold Resources Plc) for the for the period of September 2015 to December 2017 remain outstanding.

The Company raised £1,500,000 through a placing and warrants of £90,000 have been exercised since the year end.

W has issued 307,605,430 warrants on a pro-rata basis to each of the BlackRock funds that participated in the US\$35m funding, representing 5% of W's fully diluted equity.

21. Share based payments

On 2 December 2016 Share Options were granted to the directors as follows:

Director	Number of Options	Exercise Price	Expiry Date
Michael Masterman	20,000,000	€0.007	31/12/2020
	10,000,000	€0.008	31/12/2020
	10,000,000	€0.01	31/12/2020
Byron Pirola	20,000,000	€0.007	31/12/2020
	10,000,000	€0.008	31/12/2020
	10,000,000	€0.01	31/12/2020
David Garland	20,000,000	€0.007	31/12/2020
	10,000,000	€0.008	31/12/2020
	10,000,000	€0.01	31/12/2020

The share options issued during the previous year have been valued at fair value at 31/12/2016 using the Black Scholes method and £60,000 has been recognised in administrative expenses in 2016 and a share based payments reserve of £60,000 created and included in the Statement of Other Comprehensive Income. The inputs used in calculating this include: 29.33% Volatility, 5% Risk-free interest rate, 0% Dividend Yield, 0.4770p Share price at the grant date. No options have been exercised and the reserve balance of £60,000 remains at 31/12/2017.

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.



Notes to the Consolidated Financial Statements

continued

Appendix I – JORC Compliant Mineral Resource Estimates

Parrilla Proven and Probable Mineral Reserves – JORC 2012

	Tonnes '000	Grade WO ₃ (ppm)	Metal Content WO ₃ (t)	Grade Sn (ppm)	Metal Content Sn (t)
Proven	1,177	995	1,171	251	295
Probable	28,577	928	26,511	111	3,156
Total	29,754	931	27,683	116	3,451

Note: The La Parrilla mine reserves are set out in the following table based on the optimal LOM Pit. Estimate for La Parrilla Deposit using a 330 ppm WO₃ Cut-Off Grade and 5% dilution. All tonnes quoted are dry tonnes. Differences in the addition of tonnes to the total displayed is due to rounding.

The La Parrilla JORC-compliant mineral reserves update was fully disclosed, with JORC Table 1 in a Company news release on 14 June 2017. Mr Adén Muñoz of AYMA Mining Solutions SL, a Spanish Mining Engineering company based in Seville was the Competent Person responsible for the La Parrilla Proven and Probable Mineral Reserves. The mineral reserves are based on indicated and measured resources prepared by Golder Associated in March 2017 (RNS, 11 May 2017).

La Parrilla JORC Compliant Mineral Resource Estimate

Category	Tonnes	WO ₃ %	Sn (ppm)	Cut-off
Indicated	36 mt	0.096	115	0.04% WO ₃
Inferred	15 mt	0.095	92	0.04% WO ₃
Total	51 mt	0.096	108	0.04% WO₃

The La Parrilla JORC-compliant mineral resource update was fully disclosed, with JORC Table 1 in a Company news release on 5 February 2016. Mr Andrew Weeks (Golder Associates Pty Ltd) was the Competent Person responsible for the Mineral Resource Estimate for the La Parrilla deposit.

Régua JORC Compliant Mineral Resource Estimate

Category	Tonnes	WO ₃ %	Cut-off
Indicated	3.76 mt	0.304	0.1% WO ₃
Inferred	1.70 mt	0.227	0.1% WO ₃
Total	5.46 mt	0.280	0.1% WO₃

The Régua JORC-compliant mineral resource update was fully disclosed, with JORC Table 1 in a Company news release on 27 October 2015. Mr Sia Khosrowshahi (Golder Associates Pty Ltd) was the Competent Person responsible for the Mineral Resource Estimate for the Régua deposit.

São Martinho Maiden JORC Compliant Mineral Resource Estimate

Category	Tonnes	Au (g/t)	Au Content (Oz)	Cut-off
Indicated	0.48 mt	1.03	17,363	0.5 g/t Au
Inferred	2.56 mt	1.05	94,624	0.5 g/t Au
Total	3.04 mt	1.04	111,987	0.5 g/t Au

The São Martinho maiden JORC-compliant mineral resource update was fully disclosed, with JORC Table 1 in a Company news release on 8 June 2016. Mr Jorge Peres (Golder Associates Pty Ltd) was the Competent Person responsible for the Mineral Resource Estimate for the São Martinho deposit.



Company Information

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Registered Number:	04782584 (England and Wales)
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Bankers:	Barclays Bank Plc Level 27 1 Churchill Place London E14 5HP Banco Bilbao Vizcaya Argentaria 44th Floor One Canada Square Canary Wharf London E14 5AA
PR:	Gable Communications Limited 107 Cheapside London EC2V 6DN
Nominated Advisor:	Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU
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