URU METALS LIMITED:
2019 ANNUAL REPORT

URU METALS LIMITED

2019 ANNUAL REPORT

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URU Metals Limited
Chairman's Statement
For the Year Ended 31 March 2019

I am pleased to present to our shareholders and stakeholders the consolidated financial statements of the Group for the year ended 31 March 2019.

Excellent progress has been made at our flagship Zebediela Project, and the technical team are confident in their ability to prove up the strike length of the recently discovered Ni-Cu-PGE mineralisation at Zebediela, and develop the project into a world class Ni-PGE project.

The past financial year has been a fruitful year for URU, with achievements in fulfilling operational strategies. We are now well positioned to take advantage of potential positive movements in the nickel market.

Jay Vieira

Non-executive Chairman
30 September 2019

Below are the major events in the year ended 31 March 2019 and major events after the reporting period.

Zebediela Nickel Project

Major advances have been made in the past twelve months in the understanding of the geology of the Zebediela Project in a regional context. The Zebediela Project is located on the Northern Limb of the Bushveld Complex, one of the most exciting and profitable nickel, copper and platinum group elements, (Ni-Cu-PGE) mining and exploration areas globally. The project shares similar geology to Anglo American Platinum's Mogalakwena Mine, the world's best PGE mine, as well as the adjacent Ivanhoe Mines' Platreef Project, where shaft sinking on two shafts is progressing to a depth of in excess of 980m.

A thorough review of all data was undertaken, which included the relogging of core from historical drillholes on the Zebediela Project, plus the interrogation of historical reports from the area around the Zebediela Project. This has led the technical team to conclude that there is potentially 5 km of strike length of Platreef related Ni-Cu-PGE mineralisation, hidden beneath a veneer of cover rocks on the project location. The Platreef is the same horizon that both Anglo American Platinum and Ivanhoe Mines exploit and are aiming to exploit at their respective mines.

A comparison of the grades and basket prices of recent drilling by URU with that of Anglo Platinum and Ivanplats, as well as that of the operational Nkomati Nickel Mine, also located in South Africa on the Bushveld Complex, indicates that the target Ni-Cu-PGE is of a higher Nickel grade than that being mined at both Mogalakwena and Nkomati mines, and, although it is lower than Ivanplat's Platreef Project grade, it is near surface as opposed to being in excess of 800 m deep at the Platreef Project.

Average resource grades of projects located on the Northern Limb of the Bushveld Complex as sourced from various company reports.

Company	Project/Reef	Ni (%)	Cu (%)	Pt (g/t)	Pd (g/t)	Rh (g/t)	Au (g/t)	3PGE + Au (g/t)*
Lesego Platinum Uitloop***	Zebediela Ni Project	0.47	0.18	0.59	1.13	0.10	0.06	1.88
Anglo Platinum	Mogalakwena	0.18	0.10	1.14	1.35	0.09	0.15	2.73
Ivanplats**	Open pit	0.20	0.14	0.33	0.44		0.09	0.86
Ivanplats	Flatreef	0.34	0.17	1.95	2.01	0.14	0.30	4.40
PTM Waterberg Project	T-zone	0.08	0.16	1.14	1.93	0.04	0.83	3.94
	F-zone	0.16	0.07	1.11	2.36	0.04	0.18	3.69
Sibanye Stillwater	Akanani P1- Lower Reef	0.24	0.13	1.53	2.03	0.13	0.21	3.90
Akanani Project**	Akanani P2- Upper Reef	0.24	0.13	1.64	1.88	0.23	0.15	3.90
Merensky Reef	Mine reserves	0.15	0.06	2.52	1.18	0.21	0.21	4.11
UG2 Reef	Mine reserves	0.04	0.02	2.54	1.64	0.46	0.16	4.80
African Rainbow Minerals****	Nkomati Mine	0.35	0.13	0.20	0.60	0.03	0.09	0.92

*3PGE+Au equals platinum + palladium + rhodium + gold

**From Indicated Resources

***From drill results only. This does not constitute a resources or reserve statement in any manner or format whatsoever

****Peal splits are taken from the massive sulphides ore and used for the disseminated ore at lower grades

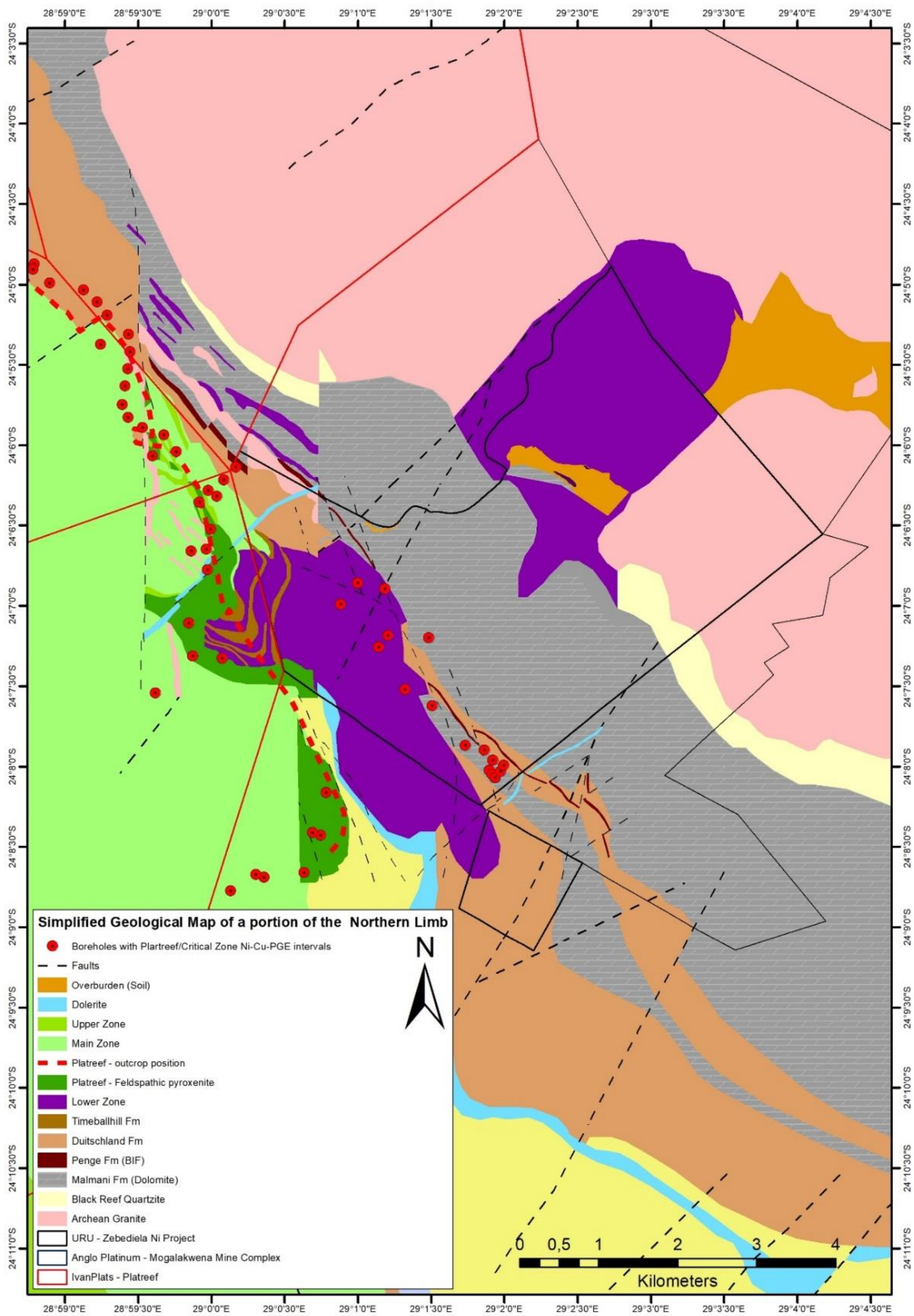
Basket price per ton of the resources listed above of projects located on the Northern Limb of the Bushveld Complex. Basket price is calculated from commodity prices as of the 14 August 2019.

Company	Project/Reef	Ni ($/t)	Cu ($/t)	Pt ($/t)	Pd ($/t)	Rh ($/t)	Au ($/t)	Basket Price ($/t)*	Depth to Mineralisation
Lesego Platinum Uitloop	Zebediela Ni Project	73.46	10.24	16.10	51.88	11.38	2.89	165.96	30 m
Anglo Platinum	Mogalakwena	28.13	5.69	31.12	61.98	10.24	7.23	144.40	30 m
Ivanplats	Open pit	31.26	7.96	9.01	20.20		4.34	72.77	30 m
Ivanplats	Flatreef	53.14	9.67	53.23	92.28	15.93	14.47	238.72	800 m
PTM Waterberg Project	T-zone	12.50	9.10	31.12	88.61	4.55	40.03	185.91	150 m
	F-zone	25.01	3.98	30.30	108.35	4.55	8.68	180.87	130 m
Sibanye Stillwater	Akanani P1- Lower Reef	37.51	7.39	41.76	93.20	14.80	10.13	204.79	800 m
Akanani Project	Akanani P2- Upper Reef	37.51	7.39	44.77	86.31	26.18	7.23	209.39	800 m
Merensky Reef	Mine reserves	23.45	3.41	68.79	54.18	23.90	10.13	183.85	800 m
UG2 Reef	Mine reserves	6.25	1.14	69.33	75.29	52.35	7.72	212.09	800 m
African Rainbow Minerals	Nkomati Mine	54.71	7.39	5.46	27.55	3.41	4.34	102.86	400 m

The figure below shows the location of known drillholes that intersect Platreef (Critical Zone rocks), and from this image, it becomes clear that the potential exists for Platreef material to be found to the west of the historically mapped outcrop of the Platreef, shown by the red dashed line in the image below.

When these drill results listed in the table above are taken into a regional context, it is evident that the potential for over 5 km of strike length of Platreef on the Zebediela Project exists, at grades with a superior basket price to that being mined at Mogalakwena mine, as well as Nkomati Nickel mine.

The geophysical surveys conducted in 2018 assisted with detailed mapping of the geology of the area, and the target horizon, in close proximity to the shale – hornfels contact of the Transvaal Supergroup metasediments, has been identified.


Simplified Geological Map of a portion of the Northern Limb
Boreholes with Plartreef/Critical Zone Ni-Cu-PGE intervals
Faults
Overburden (Soil)
Dolerite
Upper Zone
Main Zone
Platreef - outcrop position
Platreef - Feldspathic pyroxenite
Lower Zone
Timeballhill Fm
Duitschland Fm
Penge Fm (BIF)
Malmani Fm (Dolomite)
Black Reef Quartzite
Archean Granite
URU - Zebediela Ni Project
Anglo Platinum - Mogalakwena Mine Complex
IvanPlats - Platreef
N
0 0,5 1 2 3 4
Kilometers
28°59'0"E
28°59'30"E
29°0'0"E
29°0'30"E
29°1'0"E
29°1'30"E
29°2'0"E
29°2'30"E
29°3'0"E
29°3'30"E
29°4'0"E
29°4'30"E
24°3'30"S
24°4'0"S
24°4'30"S
24°5'0"S
24°5'30"S
24°6'0"S
24°6'30"S
24°7'0"S
24°7'30"S
24°8'0"S
24°8'30"S
24°9'0"S
24°9'30"S
24°10'0"S
24°10'30"S
24°11'0"S

The Department of Mineral Resources (now the Department of Minerals and Energy) (DMRE) in December 2018 issued the renewal for Prospecting Right LP148PR over Uitloop 3 KS, which forms the core license of the Zebediela Project. An application in terms of Section 102 of the Mineral and Petroleum Resources Development Act of 2002 (the MPRDA) has been made to append licenses LP1074PR and LP1787 to LP148PR.

An application to the DMRE for a mining right over the Zebediela Project was made and accepted in August 2019. The mining right application will secure the tenure of the project for 30 years once it is granted. The basis of the Mine Works Program which accompanies the application was made on the existing NI43-101 compliant resource, which contains an Indicated Resource of 485.4 million tonnes at 0.245% Ni and an Inferred Resource of 1,115.1 million tonnes at 0.248% Ni. The Company, however, has the right to amend the Mine Works Program via Section 102 of the MPRDA, to incorporate a mine plan to exploit any Ni-Cu-PGE resource that may be defined by further planned exploration drilling.

As part of the Mining Right application process, the Company has submitted an application for Environmental Authorisation for the Zebediela Project, and commenced with environmental impact assessment studies and a public consultation process.

Based on recent discoveries in other geological terrains that host similar ultramafic rocks to those found on the Zebediela Project, the potential exists for the area to host massive sulphides nickel deposits.

The high nickel and palladium to platinum ratio in the Platreef mineralisation, found at shallow depths, coupled with the increase in nickel and palladium prices over the past 12 months, make the Zebediela Project an exciting Ni-PGE targets. The close proximity to existing road, rail, power and mining infrastructure bode well for the potential to develop the project into a world-class Ni-Cu-PGE mine and URU remains committed to the responsible development of the project.

Burgersfort Nickel Project

After a decision was taken to focus on the Zebediela Nickel Project, the Company wrote down its 50% interest in the Burgersfort nickel assets in South Africa.

Investment in Management Resource Solutions PLC (MRS)

On 1 March 2017 The Company acquired 7,550,000 shares of Management Resource Solutions Plc ("MRS") from Scopn Pty Ltd. ("Scopn") at a price of £0.05 per share. As consideration the Company issued to Scopn 25,166,666 new shares of the Company (each at an implied price of £0.045). On 10 April 2017 the Company subscribed for an additional 10,000,000 shares of MRS at a price of £0.05 per share for total cash consideration of £500,000 bringing the Company's aggregate interest in MRS to 17,550,000 shares (representing 9.59% of its current issued share capital). The Group believes operational efficiencies can be realised to restore MRS' profitability and the potential exists for significant revenue growth as a result of re-opening and/or expanding of mining operations in New South Wales, coupled with the continual demand for New South Wales coal from the Chinese, South Korean and Japanese markets. The Board believes the investment in MRS provides the Group with a liquid investment with potential near-term upside.

On 5 May 2017, trading in MRS shares resumed on the AIM market of the London Stock Exchange. The closing middle market share price was £0.075 per MRS share on 27 September 2018 representing an overall value of $1,726,780 based on 17,550,000 shares held.

On 19 September 2019, MRS announced that two of its main subsidiaries in Australia, Bachmann Plant Hire Pty Ltd ("BPH") and MRS Subzero Pty Ltd (trading as MRS Services Group, "MRSSG"), were put in voluntary administration. This announcement resulted in the suspension of the trading of MRS shares. Accordingly, the Group impaired the investment in MRS during the year ended 31 March 2019. Subsequently MRS announced that it's working on a finance solution to restart the trading of its shares.

Strategy for 2019/2020

Zebediela Nickel project

Based on the improved understanding of the geology of the Zebediela Project, the company will continue to focus its efforts on understanding and defining the Platreef Ni-Cu-PGE mineralisation, and apply modern sound geological principles to developing an exploration strategy to explore for massive sulphide nickel associated with the ultramafic rocks found on the project area.

The Group remains committed to its strategy of acquiring mineral assets, through:-

- direct investments in companies with prospects with medium to long term production potential;
- partnership with other industry participants to develop projects with production forecast in the near to medium term; and
- Investment of 100% equity in earlier stage projects with the potential to develop world class sized mineral resources that could be brought to market over the long term.

The Group would not rule out investing in longer term, 100% equity projects, or in other prospective junior companies should the right opportunity arise. However, this would be dependent on investor appetite at the time.

Strategy for 2019/2020 continued

The Nickel Market

Nickel is used in numerous products including, industrial, consumer, military, transport/aerospace, marine, and stainless steel. 78% of the world's nickel is consumed by the stainless steel industry. Growing quite rapidly is the use of nickel in electric vehicle batteries, although at this stage it only accounts for about 3% of the nickel demand. With the growth in electric vehicles expected to continue, the demand for nickel will increase too. At this stage the main demand for nickel is still from the stainless-steel industry to meet specific industry requirements for heat resistance and corrosion. Nickel–containing materials are also needed to modernize infrastructure, for industry and to meet the material aspirations of their populations.

Overall positive trend — At the end of 2018, the average nickel price was approximately $10,791.00 per metric ton, with the highest nickel price recorded in 2018 at approximately $15635.00 per metric ton. The nickel price has increased by $ 7,347.50 per metric ton or 69.29 % since the beginning of 2019, with the nickel price currently at $ 17,952.00 per metric ton. The Group believe the nickel price has been lifted by sustained demand growth and decreasing supply.

Outlook — The Group has a positive outlook on the nickel market. The nickel price reached a maximum value of $18,153.00 per metric ton on 12 September 2019 in the World Bank Commodity Markets Outlook Report published in April 2018, forecast was that nickel would reach $18,000 a metric ton by 2030.

Your Management believes that our current projects have the potential to deliver shareholder value and look forward to updating shareholders on the development of its Nickel projects in South Africa.

John Zorbas
Chief Executive Officer

30 September 2019

URU Metals Limited
Strategic Report
For the Year Ended 31 March 2019

The Directors are pleased to present their Strategic Report for the year ended 31 March 2019.

The Company was incorporated in the British Virgin Islands ("BVI") on 21 May 2007 and The Company's shares were admitted to trading on AIM, a market operated by the London Stock Exchange on 12 September 2007.

Our Business

The Group's mission is to identify and invest in quality mineral exploration and development projects.

The Group's vision is to become the AIM market's premier nickel and uranium exploration and development company. The Group will achieve its vision by identifying and developing its flagship Zebedelia Nickel Project and seeking further opportunities.

Our Strategy

The key pillars of our strategy are:

1	**Advancing 100% owned project** ***Medium to long – term returns***	Umnex Minerals Limpopo (Pty) Ltd & Lesego Platinum Uitloop (Pty) Ltd	The Group plans to delineate a compliant mineral resource estimate. The Group will then look to advance the project through feasibility studies and into production and cash flow generation.
2	**Strategic Investments** ***Near to medium– term returns***	The investment in Management Resource Solutions PLC	The Group will make appropriate investments in listed or unlisted mining and mineral development and support services companies to optimise shareholder value. Where appropriate, The Group will act as an active investor and will strive to advance corporate actions that deliver value adding outcomes (for example, project development to increase company valuation or to achieve a listing).

Operating and Financial Review

As the Group is primarily involved in exploration and project development, no revenue was generated in the year (2017: Nil).

Operating results	Group 31 March 2019	Group 31 March 2018
Loss for the year (USD '000)	(2,291)	(862)
	(2,291)	(862)
Basic diluted loss per share (US dollars)	(2.94)	(1.10)
Diluted loss per share (US dollars)	(2.94)	(1.10)

The 31 March 2018 basic and diluted loss per share have been restated to reflect the share consolidation in the year as detailed in note 14.

Zebediela Nickel Project

The Zebediela Nickel Project extends over three separate adjacent prospecting rights in the Limpopo Province of South Africa. All three rights are held by Lesego Platinum Uitloop (Pty) Ltd, which in turn is 100% owned by Umnex Minerals Limpopo (Pty) Ltd.

All three rights are currently compliant with minimum expenditure obligations, annual report submissions, annual prospecting fees, and submitted prospecting work programs.

Market Trends

Nickel use is growing annually, while use of nickel containing stainless steel is growing at higher rate, with uncertainty in supply should lead to higher commodity prices. The fastest growth today is seen in the newly and rapidly industrialising countries, especially in Asia. Nickel containing materials are needed to modernise infrastructure, for industry and to meet the material aspirations of their populations.

Environmental matters

All drill holes on the Zebediela project have been properly rehabilitated and plugged as per the approved environmental management plan (EMP). Furthermore, during the drill campaign all the necessary measures to protect the environment (as per the approved EMP) were employed. Currently, there are no emerging environmental issues related to the project.

The Group's employees

The Group's CEO was John Zorbas who carried out the executive duties during the year ended 31 March 2019.

The Group has deliberately engaged in a strategy of hiring expertise on a contract or consultant basis as required in order to reduce administrative costs, and ensure access to the best skilled people on an as needed basis. The Group currently has contracts with individuals or companies to provide public relations, project management, and accounting/controller expertise for itself and its subsidiaries.

Social and community issues

During the 2019 drill campaign, no social and community issues were reported on the Zebediela project. Furthermore, there are no emerging social and community issues related to the project.

The Group will continue to work with stakeholders, to identify and mitigate future potential social and community issues using the Prospector and Developers e3 Plus principles. Our plans for 2018/2019 include investigation of the occurrence of magnetite in both the oxide and the sulphide zones, metallurgical test work on the magnetite, the potential for nickel extraction using acid and bioleaching operations compared to the previously envisaged floatation operation, and to expand on the PGE resource and do a pre-feasibility study on the Zebediela project. Further work will be predicated on the results of these investigation.

Funding

The Group continued to fund its activities from its own cash resources in the year.The financial position and the results of operations are detailed in the consolidated financial statements.

Financial Objectives

The Group's financial objectives are to achieve:

- Active project development;
- Strategic investment and value release to shareholders; and
- Good corporate governance and sound financial management.

Segmental Analysis

Information on segmental reporting is set out in note 20 to the consolidated financial statements.

Principal Risks and Uncertainties

The Group is exposed to a number of risks and uncertainties, which could have a material financial, operational and reputational impact on its long–term performance and on the Group's ability to develop its project portfolio.

As part of the Group's normal procedures, the Board and management continually evaluate the going concern premise and as an exploration Group, use budgets and cash flow forecasts to evaluate requirements in ensuing periods.

Principal Risks and Uncertainties (continued)

The risks that management has assessed as "high" are summarised below.

Category	Risk	Detail	Mitigation Measure/Comments
Strategic	Mineral Reserve and Resource estimates	Mineral Reserves and Mineral Resources estimates are based on several assumptions, including geological, mining, metallurgical and other factors. There can be no assurance that the anticipated tonnages or grades will be achieved. This is particularly the case at exploration stage projects.	Mineral Reserves and Mineral Resources will be prepared to internationally recognised code compliant standards by Qualified Persons under NI 43–101 requirements.
	Licence transfers	The timing of transfer of mineral licences can be uncertain and regulatory approval cannot be foreseen.	At current time, management is working on the licences' eventual transfer and the Group is in compliance with all regulatory requirements.
Financial	Commodity Prices	The Group's financial performance is dependent upon the price of nickel. Adverse movement in commodity prices could have a material impact on operations.	The Board monitors commodity prices and potential impacts on cash flow, project development and the ability of The Group to raise necessary capital. Capital expenditure plans are aligned to prevailing and anticipated market conditions. By targeting projects with resources that fall within the highest grade quartile and lowest cost quartile of producers, the exposure to low commodity prices is somewhat mitigated.
	Costs and capital expenditure	The Group is exposed to on–going expenditure obligations resulting from its project development activities in South Africa.	Management conducts cash flow analyses and reduces capital expenditure requirements wherever possible. If necessary, project scopes are adjusted or in some cases deferred to preserve capital.
	Liquidity	The Group needs to finance its on–going development and growth, which exposes the Group to liquidity risk. If the Group is not able to obtain sufficient financial resources, it may not be able to raise sufficient funds to develop projects, acquire additional assets or meet its ongoing financial needs.	Management monitors liquidity and exploration expenditure. The Board strives to ensure liquidity through timely corporate actions, if and when required.
Operational	Project Execution	The inability to develop near– and longer–term capital projects will impact on the Group's strategic objectives and affect its ability to meet growth and production objectives.	The Group will review its project portfolio on a regular basis and utilises relevant data, such as code compliant Mineral Reserve and Mineral Resource estimates, to guide development priorities. A balanced portfolio will reduce risks associated with a specific project or commodity. The Group will also make use of experienced contract and consultant personnel with relevant experience in project execution.

Principal Risks and Uncertainties (continued)

Category	Risk	Detail	Mitigation Measure/Comments
Personnel	Management	Loss of key management personnel can impact on the Group`s strategic and operational functionality.	The Group seeks to provide competitive salary arrangements to attract and retain the services of these personnel members.
	Skills Availability	Skills shortages have been a feature of exploration across the board. The inability to attract suitably skilled individuals in the vicinity of the Group's operations can impact on the quality and efficiency of the work performed.	Management has implemented retention strategies, including competitive compensation packages, as and when required. The Group also makes use of experienced contract and consultant personnel with relevant experience in project execution.
	Health and Safety	The mining and resource processing sectors are inherently hazardous. Failure to adopt high levels of safety management can result in a number of negative outcomes, including bodily harm to employees and contractors, and damage to the Group's reputation.	The Group takes the health and safety of all those who work for and with the Group very seriously. Measures are based on the principles outlined in the Prospectors and Developers of Canada's e3 program.
Environmental Remediation		Unforeseen environmental degradation resulting from the Group's operational activities may result in liability and/or the requirement to undertake extensive remedial clean up actions.	All operational models take environmental responsibilities into account. Third parties are contracted as required to identify environmental risks and mitigation measures.
External	Political, Legal and Regulatory Development	The Group may be affected by political or regulatory developments in the countries and jurisdictions in which it operates, including changes to fiscal and other regulatory measures.	The Group focuses on project development in stable, mining–friendly countries, and liaises with governments on aspects of its operations on a regular basis. The Group monitors the political landscape to keep abreast of likely changes in regulatory policies, and adjusts its asset mix accordingly.
	Community Relations	Disputes regarding land claims, objections to mining may arise with local communities, causing disruption to projects or operations.	The Group is committed to the establishment of close working relationships with communities in the areas in which it operates. The Group consults with local stakeholders, identifying them prior to the onset of activities. The Group will work with stakeholders to define the way in which the Group's operations will positively impact local communities. The Group engages experienced personnel to assist with local community relations.

John Zorbas
Chief Executive Officer
30 September 2019

URU Metals Limited
Directors' Report
For the Year Ended 31 March 2019

The Directors present their report and the audited consolidated financial statements for the year ended 31 March 2019.

Business Review

The Group's results for the year are set out in the consolidated statement of comprehensive income in these consolidated financial statements.

A review of the business, significant contracts, progress and the Group's future prospects can be found in the Strategic Report.

Key Performance Indicators

Management do not consider that the Group has any meaningful KPI's as it is in the exploration and evaluation stage.

Dividends
The Directors do not recommend the proposal of a final dividend in respect of the current year.

Directors
The Directors who served the Group during the year and up to the date of this report were as follows:

Executive director
John Zorbas

Non-Executive Directors
Jay Vieira
Kyle Appleby

Directors' interests
The Directors' interests in the share capital of the Company at the year end were as stated below:

	2019 Number of shares	**% Held**	2018 Number of shares	% Held
J. Vieira	4,444,444	0.57%	4,444,444	0.57%
J. Zorbas - direct	33,644,000	4.31%	33,644,000	4.31%
J. Zorbas – indirect (1)	118,511,118	15.18%	118,511,118	15.18%
K. Appleby	-	-	-	-

(1) J. Zorbas holds 15.18% of the share capital indirectly through Captor Capital Corp. J. Zorbas exercises control over Captor Capital Corp. due to his position as Chief Executive Officer and his shareholding in the company.

The interests of Directors' in options over the share capital of the Company at the year end were as stated below:

	2019 Number	2018 Number
J. Zorbas	**10,000,000**	10,000,000
J. Vieira	**5,400,000**	5,400,000

Directors' interests in transactions
No director had, during or at the end of the year, a material interest in any contract which was significant in relation to the Group's business, except in respect of service agreements.

Directors' remuneration

Salary and fees	**2019** $	2018 $
Executive Directors:		
J. Zorbas	**183,000**	187,000
Non-executive Directors:		
J. Vieira	**16,000**	17,000
K. Appleby (appointed 12 March 2018)	**16,000**	-

Group's policy on payment of creditors
It is the Group's policy to pay suppliers in accordance with the terms and conditions agreed between the Group and its suppliers, provided that the goods and services have been supplied in accordance with the agreed terms and conditions. At present the majority of the Group's creditors, including taxation are within agreed terms.

Political and charitable donations
There were no political and charitable donations made by the Group during the year.

Financial Instruments
The Group's financial risk management objectives are to control debt levels and to ensure there is sufficient working capital available for the Group's overheads and capital expenditure commitments.

Financial instruments are disclosed and discussed in note 4 to the consolidated financial statements.

Employees
The Group recognises the benefit of keeping its employees informed of all relevant matters on a regular basis. The Group is an equal opportunities employer and all applications for employment are considered fully on the basis of suitability for the job.

Health and safety
The Company and its subsidiaries have a responsibility to ensure that all reasonable precautions are taken to provide and maintain working conditions for employees and visitors alike, which are safe, healthy and in compliance with statutory requirements and appropriate codes of practice. The avoidance of occupational accidents and illnesses is given a high priority.

Principal Risks and Uncertainties
The principal risks and uncertainties associated with the Group's business and industry are detailed in the Strategic Report.

Information to shareholders - Website
The Group has its own web site (www.urumetals.com) for the purposes of improving information flow to its shareholders and potential investors.

Substantial shareholdings
On the date of this annual report, the following were holders of 3% or more of the Group's issued share capital:

Registered holder	Percentage of issued share capital
Captor Capital Corporation	15.18%
Hargreaves Lansdown Asset Management Limited	12.48%
Interactive Investor Limited	9.52%
Halifax Share Dealing Limited	8.94%
Barclays Investment Solutions Limited	6.21%
Mr. John Zorbas	4.31%
Mr. Nigel R. Scorfield	4.17%
Mr. D. Stevens	4.01%

Auditor
The auditor Moore Kingston Smith LLP have indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed at the annual general meeting.

Disclosure of information to the auditor
So far as the Directors are aware, there is no relevant audit information of which the Group's auditor is unaware and they have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Statement of Directors' Responsibilities
The Statement of Directors' Responsibilities can be found on page 16 of these financial statements. The Statement of Directors' Responsibilities forms part of the Directors' Report.

On behalf of the Board

John Zorbas
Chief Executive Officer
30 September 2019

URU Metals Limited
Statement of Directors` Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations and International Financial Reporting Standards (IFRS) as adopted by the European Union.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group 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 Group and the financial performance and cash flows of the Group for that year. 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 whether, in preparation of the Group financial statements, the Group has complied with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the Group financial statements; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with all applicable legislation and as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

Statement of Compliance
The Directors recognise the importance of sound corporate governance and comply where possible with appropriate recognised corporate governance standards as far as practicable and to the extent appropriate given the Group's size, assets, liabilities and other relevant information. In practice this means that the Group complies with the Quoted Companies Alliance corporate governance code for small and mid-sized quoted companies, which include a standard of minimum best practice for AIM companies, and recommendations for reporting corporate governance matters (the QCA Code'). Full disclosure of the Company's compliance with the QCA Code is available on the Company's website at www.urumetals.com.

Board of Directors
The Board's principal responsibilities include assisting in the formulation of corporate strategy, reviewing and approving all significant corporate transactions, monitoring operational and financial performance, reviewing and approving annual budgets and generally assisting management to enhance the overall performance of the Group in order to deliver maximum value to its shareholders. The Group held six Board meetings in the financial year.

Committees
The Group has in operation the following committees: an Audit Committee and a Remuneration Committee and Nomination Committee.

Audit Committee
The Audit Committee comprises Jay Vieira and Kyle Appleby and is chaired by Kyle Appleby and meets twice a year. There is an opportunity for any meeting to be in private between the Non-Executive Directors and the Group's auditor to consider any matter they wish to bring to the attention of the Committee. The terms of reference and areas of delegated responsibility of the Audit Committee are in the consideration and approval of the following matters:

- monitoring the quality and effectiveness of the internal control environment, including the risk management procedures followed by the Group;
- reviewing the Group's accounting policies and ensuring compliance with relevant accounting standards;
- reviewing the Group's reporting and accounting procedures;
- ensuring that the financial performance of the business is properly measured, controlled and reported on;
- reviewing the scope and effectiveness of the external audit and compliance by the Group with statutory and regulatory requirements;
- approving the external auditors' terms of engagement, their audit plan, their remuneration and any non-audit work;
- considering reports from the auditor on the outcome of the audit process and ensuring that any recommendations arising are communicated to the Board and implemented on a timely basis;
- reviewing the Board's statement on internal control in the Annual Report; and
- ensuring compliance with the relevant requirements of the AIM Rules.

Remuneration and Nomination Committee
The Remuneration and Nomination Committee comprises Kyle Appleby and Jay Vieira. Jay Vieira chairs this committee. The Remuneration and Nomination Committee meets as and when necessary. It keeps under review the skill requirements of the Board and the skill, knowledge, experience, length of service and performance of the Directors. It also reviews their external interests with a view to identifying any actual, perceived or potential conflicts of interests, including the time available to commit to their duties to the Group. It sets and reviews the scale and structure of the Executive Directors' remuneration packages, including share options and the terms of the service contracts. The remuneration and the terms and conditions of the Non-Executive Directors are determined by the Executive Director with due regard to the interests of the shareholders and the performance of the Group. The Committee also makes recommendations to the Board concerning the allocation of share options to employees.

The Committee also monitors the independence of each Non-Executive Director and makes recommendations concerning such to the Board. The results of these reviews are important when the Board considers succession planning and the re-election and reappointment of directors. Members of the Committee take no part in any discussions concerning their own circumstances.

The Committee is also responsible for keeping under review the senior management team of the organisation to ensuring the continued ability of the organisation to compete effectively in the marketplace.

Internal Control

The Board has overall responsibility for ensuring that the Group maintains a system of internal control to provide it with reasonable assurance regarding the reliability of financial information used within the business and for publication. The Board is also responsible for ensuring that assets are safeguarded and risk is identified as early as practicably possible. As noted, the Audit Committee has a significant role in this area. The internal control systems established are designed to manage rather than completely eliminate risk and can only provide reasonable but not absolute assurance against misstatement or loss. The Group does not currently have an internal audit function and this will be kept under review as the Group progresses. The Board reviews the effectiveness of the systems of internal control and its reporting procedures and augments and develops these procedures as required to ensure that an appropriate control framework is maintained at all times. The principal control mechanisms deployed by the Group are:

- Board approval for all strategic and commercially significant transactions;
- detailed scrutiny of the monthly management accounts with all material variances investigated;
- executive review and monitoring of key decision-making processes at subsidiary board level;
- Board reports on business performance and commercial developments;
- periodic risk assessments at each business involving senior executive management;
- standard accounting controls and reporting procedures; and
- regularly liaising with the Group's auditor and other professionals as required.

Shareholder Communication
The Group's website (www.urumetals.com) is the primary source of information on the Group. This includes an overview of the activities of the Group, information on the Group's subsidiaries and details of all recent Group announcements.

Corporate Responsibility
The Group operates responsibly with regards to its shareholders, employees, other stakeholders, the environment and the wider community. The Group is committed to the well-being of all employees and ensures that their health, safety and general welfare is paramount at all times. We also maintain open and fair relationships with all clients and suppliers while ensuring that all transactions are operated on an arm's length, commercial basis.

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial period. The Directors have elected to prepare these financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable by law.

Approved by the Board on 30 September 2019 and signed on its behalf by:

John Zorbas

Chief Executive Officer

Independent auditors' report
to the members of URU Metals Limited

Disclaimer of opinion
We were engaged to audit the financial statements of URU Metals Limited for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. 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.

We do not express an opinion on the financial statements of the company. Because of the significance of the matter described in the Basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for disclaimer of opinion on the financial statements
The audit evidence available to us in respect of going concern was limited because of a number of factors. The directors have prepared a cash flow forecast for a period of twelve months from the date of signature of the audit report. This shows that the Group is dependent on the availability of additional funding in order to continue in business and meet its liabilities as they fall due and although the Group may be able to obtain additional financing from its shareholders there is no certainty that this support will be forthcoming. The cashflow forecast also includes the sale of the shares held by the company in Management Resource Solutions Plc. These shares are currently suspended from trading on AIM due to two of the principal subsidiaries being in administration. There is no certainty that the shares will be re admitted to AIM and also no certainty that the shares will be sold for a value that will provide the necessary funding to enable the Group to continue to trade for at least twelve months from the date of approval of the financial statements.

Although, as explained in note 4a, the directors believe that it is likely that further shareholder or debt funding will be forthcoming there can be no certainty in this respect. As a result of these limitations, we have been unable to obtain sufficient appropriate audit evidence concerning the appropriateness of the going concern basis of preparation of the financial statements.

Our application of materiality
The scope and focus of our audit was influenced by our assessment and application of materiality. We define materiality as the magnitude of misstatement that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Due to the nature of the Group we considered gross assets to be the main focus for the readers of the financial statements, accordingly this consideration influenced our judgement of materiality. Based on our professional judgement, we determined materiality for the Group to be $59,000, based on a percentage of gross assets.

Independent auditors' report
to the members of URU Metals Limited (continued)

On the basis of our risk assessments, together with our assessment of the overall control environment, our judgement was that performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the Group was 50% of materiality, namely $29,500.

We agreed to report to the Audit Committee all audit differences in excess of $2,950, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also reported to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our engagement to audit the financial statements

Our Group audit work was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. The audit work is conducted centrally by one audit team, led by the Senior Statutory Auditor.

Matters on which we are required to report by exception

Notwithstanding our disclaimer of opinion on the financial statements, 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 Strategic Report or Directors' Report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. However, because of the matter described in the Basis for disclaimer of opinion section, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Independent auditors' report
to the members of URU Metals Limited (continued)

Use of our report

This report is made solely to the Company's members, as a body. Our audit work has been undertaken for no purpose other than to draw to the attention of the Company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the Company and Company's members as a body, for our work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

MATTHEW MEADOWS (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
Devonshire House
60 Goswell Road
London EC1M 7AD

30 September 2019

URU Metals Limited
Consolidated Statement of Comprehensive Income
For the Year Ended 31 March 2019

	2019 $'000	2018 $'000
Administrative expenses	**(737)**	(862)
Exceptional items (note 18)	**(1,554)**	-
Operating loss	**(2,291)**	(862)
Net loss for the year	**(2,291)**	(862)
Other comprehensive income		
Items that will be reclassified subsequently to income		
Unrealised loss on financial assets at fair value through OCI	**(876)**	(334)
Effect of translation of foreign operations	**(350)**	159
Other comprehensive loss for the year	**(1,226)**	(175)
Total comprehensive loss for the year	**(3,517)**	(1,037)
Basic and diluted net loss per share (USD dollars) (note 8)	**(2.94)**	(1.10)

The loss per share calculation relates to both continuing and total operations.

The accompanying notes to the consolidated financial statements are an integral part of these statements.

URU Metals Limited
Consolidated Statement of Financial Position
As at 31 March 2019

	As at 31 March 2019 $'000	As at 31 March 2018 $'000
ASSETS		
Non-current assets		
Property, plant and equipment (note 10)	**43**	85
Intangible assets (note 11)	**2,471**	3,243
Long-term prepaid assets (note 9)	**41**	41
Total non-current assets	**2,555**	3,369
Current assets		
Financial asset at fair value through OCI (note 12)	**-**	1,676
Trade and other receivables (note 13)	**64**	67
Cash and cash equivalents	**475**	1,317
Total current assets	**539**	3,060
Total assets	**3,094**	6,429
EQUITY AND LIABILITIES		
Equity		
Share capital (note 14)	**7,806**	7,806
Share premium (note 14)	**46,938**	46,938
Other reserves	**1,030**	1,380
Accumulated deficit	**(53,839)**	(50,672)
Total equity	**1,935**	5,452
Current liabilities		
Trade and other payables (note 16)	**1,159**	977
Total liabilities	**1,159**	977
Total equity and liabilities	**3,094**	6,429

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Approved on behalf of the Board on 30 September 2019:

Jay Vieira, Non-executive Chairman

Kyle Appleby, Non-executive Director

URU Metals Limited
Consolidated Statement of Cash Flows
For the Year Ended 31 March 2019

	2019 $'000	2018 $'000
Cash flows from operating activities		
Net loss for the year	**(2,291)**	(862)
Adjustments for:		
Share-based payments	-	203
Depreciation	**40**	33
Impairment of intangible asset	**868**	(145)
Impairment of financial assets at fair value through OCI	**686**	-
Unrealised foreign exchange gain	**114**	-
Changes in non-cash working capital items:		
Decrease/(increase) in receivables	**3**	(37)
Increase in trade and other payables	**182**	300
Net cash used in operating activities	**(398)**	(508)
Investing activities		
Purchase of financial assets at fair value through OCI	-	(650)
Purchase of intangible assets	**(401)**	(406)
Net cash used in investing activities	**(401)**	(1,056)
Financing activities		
Net proceeds from exercise of share options	**-**	203
Net cash generated by financing activities	-	203
Loss on exchange rate changes on cash and cash equivalents	**(43)**	-
Net decrease in cash and cash equivalents	**(842)**	(1 ,361)
Cash and cash equivalents, beginning of year	**1,317**	2,678
Cash and cash equivalents, end of year	**475**	1,317

The accompanying notes to the consolidated financial statements are an integral part of these statements.

URU Metals Limited
Consolidated Statement of Changes in Shareholders' Equity
For the Year Ended 31 March 2019

Equity attributable to shareholders

	Share Capital $'000	Share Premium $'000	Shares to be Issued $'000	Share Option and Warrants Reserve $'000	Foreign Currency Translation Reserve $'000	Accumulated Deficit $'000	Total $'000
At 31 March 2017	**7,726**	**46,723**	**-**	**2,307**	**(1,123)**	**(49,476)**	**6,157**
Share-based compensation	-	-	-	129	-	-	129
Shares issued upon exercise of stock options	80	123	-	-	-	-	203
Reclassification of fair value of stock options exercised	-	92	-	(92)	-	-	-
Net loss and comprehensive loss for the year	-	-	-	-	159	(1,196)	(1,037)
At 31 March 2018	**7,806**	**46,938**	**-**	**2,344**	**(964)**	**(50,672)**	**5,452**
Net loss and comprehensive loss for the year	-	-	-	-	(350)	(3,167)	(3,517)
At 31 March 2019	**7,806**	**46,938**	**-**	**2,344**	**(1,314)**	**(53,839)**	**1,935**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

1. General information

URU Metals Limited (the "Company"), formerly known as Niger Uranium Limited, and before that, as UraMin Niger Limited, was incorporated in the British Virgin Islands ("BVI") on 21 May 2007. The Company's shares were admitted to trading on AIM, a market operated by the London Stock Exchange on 12 September 2007. The address of the Company's registered office is Intertrust, P.O. Box 92, Road Town, Tortola, British Virgin Islands, and its principal office is Suite 401, 4 King Street West, Toronto, Ontario, Canada, M5H 1A1.

On 21 November, 2018, the Company resolved to re-organise the Company's share capital by combining all of the Existing Ordinary Shares on the basis of one new ordinary share of no par value ('New Ordinary Share') for every 1,000 Existing Ordinary Shares, such shares having the same rights and being subject to the same restrictions as the Existing Ordinary Shares as set out in the Articles of the Company ('Consolidation'). All references to common shares, stock options and warrants have been fully retrospectively restated to reflect the Consolidation.

The consolidated financial statements of the Group for the year ended 31 March 2019 comprise the Company and its subsidiaries.

2. Nature of operations

During the year ended 31 March 2019, the Group's principal business activities were the exploration and development of mineral properties in South Africa.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and development programs will result in profitable mining operations. The Group has not yet established whether its mineral properties contain reserves that are economically recoverable. Changes in future conditions could require material write-downs of the carrying values of mineral properties.

The Group is in the exploration stage and is subject to the risks and challenges similar to other companies in a comparable stage of development. These risks include, but are not limited to:

- Dependence on key individuals;
- receipt and maintenance of all required exploration permits and property titles;
- successful development; and
- as noted above, the ability to secure adequate financing to meet the minimum capital required to successfully develop the Group's projects and continue as a going concern.

3. Basis of preparation

The annual consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations. The Group has consistently applied the accounting policies detailed below throughout all periods presented.

The consolidated financial statements have been prepared on a historical cost basis convention, as modified by the revaluation of financial assets at fair value through other comprehensive income.

3. Basis of preparation (continued)

Items included in the consolidated financial statements for each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). Similarly, the Group reports its results in a specified currency (the "presentation currency"). The functional currencies of the Company and its subsidiaries (with their abbreviation defined in note 4) are set out in the table below:

URU Metals Limited ("URU")	CAD
Niger Uranium Societe Anonyme ("NUSA")	CFA
8373825 Canada Inc. ("Nueltin")	CAD
Svenska Skifferoljeaktiebolaget ("SSOAB")	SEK
Southern Africa Nickel Ltd. ("SAN Ltd")	USD
Umnex Minerals Limpopo Pty ("UML")	USD
Lesogo Platinum Uitloop Pty ("LPU")	USD

All of the Company's subsidiaries were dormant in the year.

The Group's consolidated financial statements are presented in US Dollars, rounded to the nearest thousand.

In accordance with IAS 21, Effects of Changes in Foreign Exchange Rates ("IAS 21"), Group entities and operations whose functional currencies differ from the presentation currency are translated into US dollars.

- Monetary assets and liabilities are translated at the closing rate as at the date of the statement of financial position;
- Income and expenses are translated at the average rate of exchange for the reporting period;
- Equity balances are initially translated at closing exchange rates and subsequent balances are translated at historical rates; and
- Translation gains and losses are recognised in consolidated other comprehensive income and are reported as such in accumulated other comprehensive income.

4. Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

(a) Going concern

These consolidated financial statements have been prepared based on accounting principles applicable to a going concern, which assume that the Group will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of business. As at 31 March 2019 the Group had net current liabilities of $620,000 (2018:$2,083,000 net current assets) and had not yet achieved profitable operation and expects to incur further losses in the development of business. The Group will therefore need further financing to operate over the next 12 months.

Management acknowledges that uncertainty remains over the ability of the Group to meet its funding requirements but believes that financing will be available and continues to explore debt and equity financing options that would provide the Group with sufficient cash to continue with its exploration activities. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. These circumstances indicate the existence of material uncertainties that may cast significant doubt as to the Group's ability to continue as a going concern.

There is, however, no assurance that the sources of funding described above will be available to the Group, or that they will be available on terms and a timely basis that are acceptable to the Group. Accordingly, these consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used that would be necessary should the Group be unable to continue as a going concern. These adjustments could be material.

As part of their going concern review, the Directors have followed the guidelines published by the Financial Reporting Council entitled "Guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risk" issued in April 2016.

The Directors have prepared detailed financial forecasts and cashflows for the twelve months from the date of signing these financial statements. In developing these forecasts, the Directors have made assumptions based upon their view of current and future economic conditions over the forecast period.

(b) Basis of consolidation

Subsidiaries

Subsidiaries are all entities that are controlled by the Group. The definition of control involves three elements; power over the investee, exposure or rights to variable returns and the ability to use power over the investee to affect the amount of the investors' returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

4. Significant accounting policies (continued)

<u>(b) Basis of consolidation (continued)</u>

Subsidiaries (continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or other comprehensive loss.

Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Associates

Associates are entities over which the Group exercises significant influence but does not exercise control. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, which includes goodwill identified on acquisition, net of any accumulated impairment loss. The Group's share of its associate's profits or losses after acquisition of its interest is recognised in profit or loss and cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Where the Group's share of losses of an associate equals or exceeds the carrying amount of the investment, the Group only recognises further losses where it has incurred obligations or made payments on behalf of the associate.

Financial asset at fair value through other comprehensive income

Financial assets consist of equity investments in other companies or limited partnerships where the Group does not exercise either control or significant influence.

Financial assets are shown at fair value at each reporting date with changes in fair value being shown in Other Comprehensive Income, or at cost less any necessary provision for impairment where a reliable estimate of fair value is not able to be determined.

Joint arrangements, joint operations and joint ventures

A joint arrangement is a contractual arrangement in which two or more parties have joint control. Joint control only exists when decisions require unanimous consent of the parties sharing that control. A joint arrangement is either a joint operation, where the parties have rights to the assets and obligations of the operation and thus recognise its share of the assets, liabilities, and operations, or a joint venture, where the parties have rights to the net assets or the obligation, and thus recognise their interest as an investment using the equity method.

Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

4. Significant accounting policies (continued)

(c) Foreign currency transactions

i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in consolidated statement of other comprehensive income.

ii) Foreign operations

The assets and liabilities of operations, including goodwill and fair value adjustments arising on acquisition, are translated to the Group presentation currency (where different) at exchange rates at the reporting date. The income and expenses of foreign operations are translated to the Group presentation currency at average exchange rates, unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions. Equity balances are translated to presentation currency at historical exchange rates.

Foreign currency differences are recognised directly in other comprehensive income and such differences have been recognised in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in other comprehensive income in the FCTR.

(d) Property, plant and equipment

Items of property, plant and equipment are measured at historical cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment was determined by reference to the cost at the date of acquisition.

Historical cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

4. Significant accounting policies (continue)

(d) Property, plant and equipment

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and are recognised net within the statement of comprehensive income.

Depreciation is calculated over the depreciable amount, which is the cost of the asset, less its residual value. If the useful lives and depreciation methods are the same for significant parts of assets, these are not depreciated on a component basis. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment as follows:

Field equipment	3 years

(e) Exploration costs and intangible assets

Exploration and evaluation costs are capitalised on a project-by-project basis, pending determination of the technical feasibility and the commercial viability of the project. In accordance with IFRS 6, 'Exploration for and Evaluation of Mineral Resources', the Group allocates costs incurred to cash generating units (CGUs), which are projects, or groups of projects, which share a consistent profile and proximity. Exploration costs are presented in intangible assets in the Statement of Financial Position.

Capitalised costs include costs directly related to the exploration and evaluation activities in the CGU.

General and administrative costs are allocated to the exploration property to the extent that the costs are directly related to activities in the relevant areas of interest. Costs incurred before the legal rights are obtained to explore an area and costs relating to a relinquished or abandoned licence are recognised in profit or loss.

Exploration and evaluation assets shall be assessed for impairment at each reporting period in accordance with IFRS 6, and any impairment loss is recognised in profit or loss.

Once technical feasibility and commercial viability have been established, exploration assets attributable to those projects are tested for impairment and reclassified from exploration properties to development properties.

Mineral property acquisition costs, and exploration and development expenditures incurred subsequent to the determination of the feasibility of mining operations and approval of development by the Group, are capitalised until the property to which they relate is placed into production, sold, allowed to lapse or abandoned.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less from inception which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

4. Significant accounting policies (continued)

(g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets and financial liabilities

Financial assets and financial liabilities are classified into one of three categories as summarised in the table below:

Category	Derivative status	Initial measurement	Subsequent to initial recognition, held at:	URU's assets in the category
Amortised cost receivables	Non-derivative	Fair value	Amortised cost using The effective interest method	Trade and other
Amortised cost	Non-derivative	Fair value	Same as above	Cash and cash equivalents
Other financial liabilities	Non-derivative	Fair value	Same as above	Trade and other payables
Other financial liabilities	Non-derivative	Fair value	Fair value through profit and loss	Contingent consideration
Fair value through other comprehensive income	Non-derivative	Fair value	Fair value through profit and loss	Marketable securities

The classification is determined at initial recognition and depends on the nature and the purpose of the financial asset. Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

Fianncial assets at amortised cost

A financial asset shall be classified as amortised cost if both of the following conditions are met: (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (b) the contractual terms of the financial asset give rise on specified dates to cash cash flows that are solely payments of principal and interest on the principal amount outstanding.

Other financial liabilities

The Group initially recognises financial liabilities on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are recognised initially at fair value plus any directly attributable transaction costs.

4. Significant accounting policies (continued)

(g) Financial instruments (continued)

Financial assets at fair value

Fair value determination
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The Company has no financial instruments carried at fair value as at 31 March 2019 other than the investment in Management Resource Solutions Plc (MRS) which is a Level 2 financial asset at fair value.

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if it is a derivative financial instrument. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise, they are classified as non-current. Securities in privately held companies are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuation in the consolidated financial statements. These are included in Level 1 as disclosed in note 6.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met: (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Changes in fair values of financial assets through other comprehensive income are presented as fair value gain or loss on investment in the consolidated statement of comprehensive income, and within operating activities in the statement of cash flows.

(ii) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual right to the asset’s cash flows expire or if the Group transfers the financial asset and substantially all risks and rewards of ownership to another entity. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

4. Significant accounting policies (continued)

(g) Financial instruments (continued)

(iii) Offset

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(h) Impairment of assets

(i) Financial assets

Financial assets are assessed for indicators of impairment at each reporting period end. Financial assets are impaired when there is objective evidence that the estimated future cash flows of the financial assets have been affected by one or more events that occurred after the initial recognition of the financial asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the assets original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairments loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. Fair value less cost of disposal is determined as the amount that would be obtained from the disposal of the assets in an arm's length transaction between knowledgeable and willing parties.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4. Significant accounting policies (continued)

(i) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(j) Loss per share

The Group presents basic and diluted loss per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares in issue during the period. Diluted earnings or loss per share is similar to basic earnings or loss per share, except that the denominator is adjusted to include the dilutive potential ordinary shares that would have been outstanding assuming that options and warrants with an average market price for the year greater than their exercise price are exercised and the proceeds used to repurchase ordinary shares.

(k) Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's chief operating decision maker, the CEO, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. Significant accounting policies (continued)

(l) Employee benefits

Pension obligations and other post-employment benefits

The Group does not offer any pension and/or post-employment benefits to employees.

Short-term employee benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonuses if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based compensation

The Group operates an equity-settled, share-based compensation plan, The Niger Uranium Limited Share Option Plan 2008. The grant date fair value of the employee services received in exchange for the grant of the options is recognised as an expense with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions, such as forfeiture rates, are included in assumptions about the number of options that are expected to vest. At each reporting date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(m) New accounting standards and interpretations

During the year ended 31 March 2019 the Group adopted the following IFRS standards:

IFRS 2 – Share-based Payment (“IFRS 2”)

IFRS 2 was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. On 1 April, 2018, the Group adopted this amendment and has determined that the adoption of this new amendment does not have a significant impact on its consolidated financial statements.

IFRS 15 - Revenue From Contracts With Customers (“IFRS 15”)

IFRS 15 replaces IAS 18 - Revenue, IAS 11 - Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognised. On 1 April 2018, the Company adopted IFRS 15 and has determined that the adoption of this new standard does not have a significant impact on its consolidated financial statements.

4. Significant accounting policies (continued)

(m) New accounting standards and interpretations (continued)

IFRS 9 Financial Instruments ("IFRS 9")

On 24 July 2014 the IASB issued the completed IFRS 9, Financial Instruments, (IFRS 9) effective on 1 January 2018 with early adoption permitted.

IFRS 9 includes finalised guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 Financial Instruments: recognition and measurement, for the classification and measurement of financial liabilities.

The Group adopted IFRS 9 in its consolidated financial statements on 1 April 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on 1 April 2018. The impact on the classification and measurement of its financial instruments is set out below.

All financial assets not classified at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss; Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognised at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognised in the consolidated statement of loss and comprehensive loss for the year. Financial assets classified at amortised cost and financial liabilities are measured at amortised cost using the effective interest method.

The following table summarises the classification and measurement changes under IFRS 9 for each financial instrument:

Classification	**IAS 39**	**IFRS 9**
Cash and cash equivalents	Loans and receivables (amortised cost)	Amortised cost
Trade and other receivables	Loans and receivables (amortised cost)	Amortised cost
Marketable securities	Available for sale	FVOCI
Accounts payable and accrued liabilities	Other financial liabilities (amortised cost)	Amortised cost

4. Significant accounting policies (continued)

(m) New accounting standards and interpretations (continued)

IFRS 9 Financial Instruments ("IFRS 9") (continued)

(i) The Company made an irrevocable election upon adoption of IFRS 9 to classify the marketable securities at FVOCI, with all subsequent changes in fair value being recognised in other comprehensive income. FVOCI is a new measurement category with which the cumulative changes in fair value will remain in OCI and is not reclassified to profit or loss upon disposal of the investment.

The original carrying value of the Company's financial instruments under IAS 39 has not changed under IFRS 9.

The following IFRS and IFRIC Interpretations have been issued but have not been applied by the Group in preparing these financial statements as they are not as yet effective and in some cases had not yet been adopted by the European Union.

The Group intends to adopt these Standards and Interpretations when they become effective, rather than adopt them early.

- IFRS 16, 'Leases"
- IFRS 10 and IAS 28 (amendments), 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'
- Amendments to IFRS 2, 'Classification and Measurement of Share-based Payment Transactions'
- Amendments to IAS 7, 'Disclosure Initiative'
- Amendments to IAS 12, 'Recognition of Deferred Tax Assets for Unrealised Losses'

The directors do not expect that the adoption of the Standards listed above will have a material impact on the Group in future periods.

IFRS 16 is a significant change to lessee accounting and all leases will require balance sheet recognition of a liability and a right-of-use asset except short term leases and leases of low value assets. The effect on the Group cannot be accurately quantified at this stage but is expected to be immaterial on the Group is currently not a party to any material operating leases as lessee or lessor.

A number of IFRS and IFRIC interpretations are also currently in issue which are not relevant for the Group's activities and which have not therefore been adopted in preparing these consolidated financial statements.

5. Critical Accounting Estimates and Judgements

The preparation of the consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement and make estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The Group makes estimations and assumptions concerning the future. The resulting accounting estimates may not equal the related actual results.

The estimates, assumptions and judgements which have a significant risk of causing material adjustment to the carrying amount of assets and liabilities are:

Determination of the Functional Currency
The Group comprises several entities in three different countries; Canada, South Africa and Sweden. The statutory financial statements of each entity, where required, are prepared using the functional currency of the country where it is registered to do business except where management have chosen a more appropriate currency as the functional currency. On preparation of the consolidated financial statements management chooses an appropriate exchange rate to translate each of the functional currencies to the presentational currency. The consolidated financial statements are presented in USD. These judgements may change if future events dictate that a more appropriate presentational currency should be adopted.

Impairment of exploration and evaluation expenditure (intangible assets)
At 31 March 2019 the carrying value of intangible assets of the Group were $2,471,000 (2018: $3,243,000). The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not yet reached a stage that permits a reasonable assessment of the existence of reserves. The directors have carried out an assessment of the carrying value of exploration and evaluation expenditure and any required impairment in accordance with the accounting policy in note 4.

Assessment of significant influence
The Group holds 7.85% of the issued share capital of Management Resource Solutions Plc ('MRS') which is below the 20% assumed threshold for significant influence. However as J. Zorbas was appointed as the Non-executive Chairman of MRS on 10 April 2017 management have reviewed the criteria detailed in IAS 28 'Investments in Associates' of potential indication of the existence of significant influence. Management judgement is therefore required to assess whether significant influence is exercised over MRS in the year and have concluded that the Group did not exercise significant influence over MRS in the year. J. Zorbas resigned as Non-executive Chairman of MRS on 30 August 2019.

5. Critical Accounting Estimates and Judgements (continued)

Valuation of financial assets at fair value through other comprehensive income

The Group has adopted a policy of the revaluation of financial assets through other comprehensive income. Management therefore need to determine fair value and thus need to exercise judgement in their assessment of the fair value hierarchy.

In respect of the carrying value of the shares held in MRS management have assessed the current suspension of the company's shares on AIM, due to two of its principal subsidiaries being placed into administration, and the likelihood that the refinancing will be completed and that the company's shares will be re admitted to trading on AIM.

Share based payments

The Company has issued share options to Directors and advisors. The Black Scholes model is used to calculate the appropriate charge for these options. The use of this model to calculate a charge involves a number of estimates and judgements to establish the appropriate inputs to be entered into the model, including areas such as the use of appropriate interest and dividend rates, exercise restrictions and behavioural considerations. A significant element of judgement is therefore involved in the calculation of the charge.

Calculation and recognition of contingent consideration

The Group is exposed to potential contingent consideration from previous acquisitions as detailed in note 11. Management exercises judgement in assessing whether the contingent consideration should be recognised in the consolidated financial statements.

6. Financial risk management

The Group's Board of Directors monitors and manages the financial risks relating to the operations of the Group. These include credit risk, liquidity risk and market risk which includes foreign currency and interest rate risks.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Group's credit risk is primarily attributable to the Group's cash and cash equivalents and trade and other receivables. The Group has no allowance for impairment that might represent an estimate of incurred losses on other receivables. The Group has cash and cash equivalents of $475,000 (31 March 2018 - $1,317,000), which represent the maximum credit exposure on these assets. As at 31 March 2019, the majority of the cash and cash equivalents were held with a major Canadian chartered bank from which management believes the risk of loss to be minimal.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

6. Financial risk management (continued)

Typically the Group tries to ensure that it has sufficient cash on demand to meet expected operational expenses for a period of twelve months, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. Management monitors the rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows.

The following are the contractual maturities of financial liabilities:

	Carrying amount $'000	Contractual cash flows $'000	6 months or less $'000	6 months to 5 years $'000
31 March 2018				
Trade and other payables	1,159	1,159	1,159	-
31 March 2018				
Trade and other payables	977	977	977	-

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's loss or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

<u>Foreign currency rate risk</u>
The Group, operating internationally, is exposed to currency risk on purchases that are denominated in a currency other than the functional currency of the Group's entities, primarily Pound Sterling ("GBP"), the Canadian Dollar ("CAD"), the South African Rand ("ZAR"), Swedish Krona ("SEK") and the US Dollar ("USD").

The Group does not hedge its exposure to currency risk.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term imbalances.

The Group's exposure to foreign currency risk, based on notional amounts, was as follows:

	USD $'000	GBP $'000	SEK $'000	CAD $'000	Total $'000
31 March 2019					
Cash and cash equivalents	-	466	-	9	475
Trade and other receivables	-	-	-	64	64
Trade and other payables	-	(201)	(53)	(905)	(1,159)
31 March 2018					
Cash and cash equivalents	-	1,294	-	23	1,317
Trade and other receivables	-	-	-	67	67
Trade and other payables	-	(217)	(58)	(702)	(977)

6. Financial risk management (continued)

<u>Interest rate risk</u>

The financial assets and liabilities of the Group are subject to interest rate risk, based on changes in the prevailing interest rate. The Group does not enter into interest rate swap or derivative contracts. The primary goal of the Group's investment strategy is to make timely investments in listed or unlisted mining and mineral development properties to optimise shareholder value. Where appropriate, the Group will act as an active investor and will strive to advance corporate actions that deliver value adding outcomes. The Group will undertake joint ventures with companies that have the potential to realise value through mineral project development, and invest substantially in those joint ventures to advance asset development over the near term.

Market risks

<u>Sensitivity analysis</u>

A 10% strengthening of the USD against the following currencies at the year end would have increased/(decreased) equity and profit or loss by the amounts shown below. This was determined by recalculating the USD balances held using a 10% greater exchange rate to the USD. This analysis assumes that all other variables, in particular interest rates, remain constant.

	31 March 2019		**31 March 2018**	
	Equity $'000	**Profit or loss $'000**	**Equity $'000**	**Profit or loss $'000**
GBP	**-**	**(27)**	-	(108)
CAD	**-**	**83**	-	61
SEK	**-**	**6**	-	6

7. Capital risk management

The Group includes its share capital, share premium, reserves and accumulated deficit as capital. The Group's objective is to maintain a flexible capital structure which optimises the costs of capital at an acceptable risk. In light of economic changes and with the risk characteristics of the underlying assets, the Group manages the capital structure and makes adjustments to it. As the Group has no cash flow from operations and in order to maintain or adjust the capital structure, the Group may issue new shares, issue debt and/or find a strategic partner. The Group is not subject to externally imposed capital requirements.

The Group prepares annual expenditure budgets to facilitate the management of its capital requirements and updates them as necessary depending on various factors such as capital deployment and general industry conditions. During the year ended 31 March 2019 there were no changes in the Group's approach to capital management.

8. Earnings per Share

The calculation of basic and diluted earnings per share is based on the result attributable to shareholders divided by the weighted average number of ordinary shares in issue in the year.

Basic earnings per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The Company has potentially issuable shares which relate to share options issued to directors and third parties. In the years ended 31 March 2019 and 31 March 2018 none of the options had a dilutive effect on the loss in the two years.

	As at 31 March 2019 $'000	As at 31 March 2018 $'000
Loss used in calculating basic and diluted earnings per share ($)	**(2,291)**	(862)
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	779,944	779,944
Weighted average number of shares for the purpose of diluted earnings per share	779,944	779,944
Basic loss per share (US dollars)	(2.94)	(1.10)
Diluted loss per share (US dollars)	(2.94)	(1.10)

9. Long-term prepaid assets

	31 March 2019 $'000	31 March 2018 $'000
Long-term prepaid assets	**41**	41

On determination that an impairment charge was required for the Group's SSOAB Licences project, the Group identified a long-term prepaid asset for future drilling costs that may be applied to projects undertaken in other locations. Accordingly, the long-term prepaid asset was transferred out of intangible assets.

10. Property, plant and equipment

COST	**Field equipment $'000**
At 31 March 2017	119
Impact of foreign exchange	2
At 31 March 2018	**121**
Impact of foreign exchange	(3)
At 31 March 2019	**118**

ACCUMULATED DEPRECIATON	**Field equipment $'000**
At 31 March 2017	3
Depreciation for the year	33
At 31 March 2018	**36**
Depreciation for the year	40
Impact of foreign exchange	(1)
At 31 March 2019	**75**

***CARRYING* VALUE**	**Field equipment $'000**
At 31 March 2018	**85**
At 31 March 2019	**43**

11. Intangible assets

Exploration costs

COST	**$'000**
At 31 March 2017	**4,557**
Additions	406
Foreign exchange	98
At 31 March 2018	**5,061**
Additions	401
Foreign exchange	(369)
At 31 March 2019	**5,093**

ACCUMULATED AMORTISATION AND IMPAIRMENT	**$'000**
At 31 March 2017	**1,761**
Foreign exchange	57
At 31 March 2018	**1,818**
Impairment (note 18)	868
Foreign exchange	(64)
At 31 March 2019	**2,622**

CARRYING VALUE	**$'000**
At 31 March 2018	**3,243**
At 31 March 2019	**2,471**

The Group has operated three distinct projects, SSOAB Licences, Nueltin Licence and the South African Projects as detailed below:

The exploration costs, amortisation and impairment detailed in the above table are in respect of the Group's South African Projects only. The Group's exploration costs in respect of its SSOAB Licences project of $1,145,000 were fully impaired at 31 March 2016 and the exploration costs in respect of its Nueltin Licence project of $153,000 were fully impaired at 31 March 2015. The Burgersfort South African project has been fully impaired in these consolidated financial statements. At 31 March 2019 the carrying value is solely in relation to the Zebediela Nickel Project described below.

SSOAB Licences

SSOAB (as defined in note 3) had 100% ownership of several exploration licences near the town of Örebro, Sweden. The Swedish licences are considered to be a single project, and thus to be one CGU. During the year ended 31 March 2016, due to the continued decline of the prices of oil and uranium, the Group decided not to pursue the development of SSOAB properties and therefore determined that the recoverable amount of the intangible assets under the SSOAB properties was estimated to be $nil. The Group fully impaired the intangible assets in the consolidated statement of financial position for the year ended 31 March 2016. The foreign currency reserve of SSOAB was reclassified from equity to the consolidated statement of comprehensive income in the year ended 31 March 2017.

11. Intangible assets (continued)

Nueltin Licence

Nueltin (as defined in note 3) was party to an option agreement with Cameco Corporation ("Cameco"), the holder of a licence located in the Nunavut Territory of Canada. Under the agreement, Nueltin could earn 51% interest in the project from Cameco in return for exclusively funding CDN$2.5 million in exploration expenditure by 31 December 2016. The Cameco project was considered to be one CGU. The Group fully impaired the intangible assets in the consolidated statement of financial position in the year ended 31 March 2015 as the Group had no plans to pursue the project in Nunavut Territory and thus let the option expire.

South African Projects

In November 2013, the Group acquired (i) a 100% interest in Southern Africa Nickel Limited ("SAN Ltd.") which had been the Group's joint venture partner since 2010 on the Zebediela Nickel Project and (ii) a 50% interest in the Burgersfort Project. SAN Ltd in turn had a 74% interest in a joint operation (the "SAN-Umnex Joint Venture"). The remaining 26% was held by Umnex Mineral Holdings Pty ("UMH"), which had title to the Zebediela licences through its subsidiary, UML. With the Group's acquisition of SAN Ltd., the SAN-URU joint venture was dissolved and San Ltd. obtained ownership of the JV's 50% interest in the Burgersfort Project with BSC Resources as the other party to the agreement. On 10 April 2014, SAN Ltd. and UMH agreed that SAN Ltd. would purchase 100% of Umnex Minerals Limpopo Pty ("UML") from UMH for consideration of 33,194,181 new Group shares and 8,000,000 bonus shares issued to directors and officers for their services in the acquisition of UML.

The Burgersfort Project extends over two adjacent prospecting rights in Burgersfort North and Burgersfort South. The Group has no plans to pursue the project and as announced on 31 May 2019 has fully impaired the intangible assets related to Burgersfort Project in the amount of $868,000 in the consolidated statement of financial position as at 31 March 2019.

The Zebediela Nickel Project extends over three separate adjacent prospecting rights in the Limpopo Province of South Africa. All three rights are now held by Lesogo Platinum Uitloop Pty ("LPU"), which in turn is 100% owned by UML.

All three rights are currently compliant with minimum expenditure obligations, annual report submissions, annual prospecting fees, and submitted prospecting work programs.

Under the terms of the acquisition agreement, UMH is permitted to return the shares and take back the licences should the Group:

- fail to maintain adequate cash funds to meet its general and project expenditure obligations, or
- fail to meet the purchased rights' minimum statutory expenditure obligations

As at 31 March 2019, the "general and project expenditure obligations" and the "minimum statutory expenditure obligations" of the general and project expenditure obligations had not been determined.

Additionally, conditional consideration of 12,000,000 free-trading shares is payable if either 1) a transaction is consummated by the Group to sell, farm-out, or similarly dispose of any portion of a mineral project on some or all of the mining titles, or 2) a mining right is obtained from the South African Department of Mines and Resources in respect of some or all of the rights, or 3) an effective change of control of the Group occurs. As at 31 March 2019 none of the above conditions have occurred.

11. Intangible assets (continued)

On 19 April 2017, the Group entered into a Corporate and Management Services Agreement (the "Agreement") with UMH. As per the Agreement, UMH shall provide to UML services including project management, coordination of mining rights application, mineral rights management, finance and accounting, technical, metallurgical, engineering and geological services and corporate finance and capital raising. In exchange of the services, UMH will earning the following fees:

1. Once the Bankable Feasibility Study commences a monthly retainer of ZAR150,000 until then a monthly retainer of ZAR75,000 will be paid;
2. First right of offer for technical, metallurgical, engineering and geological services at market related pricing;
3. Capital raising and corporate finance fees of 5% of the transaction value of capital raised through UMH sources;
4. UMH will be issued a 1.5% royalty on all revenue generated from the Zebediela project. 1% of the royalty can be purchased back by the Company or its successor for the amount of $2 million provided that the Company exercises this right within 24 months of the Mining Right being issued by the Department of Mineral Resources of South Africa.

On 4 December 2018 the Company announced that the South African Department of Mineral Resources had formally approved and executed the renewal of the primary prospecting right. The right will expire on 2 December 2021.

12. Financial assets at fair value through other comprehensive income

	As at 31 March 2019 $'000	**As at 31 March 2018 $'000**
At 1 April	1,676	1,173
Additions	-	650
Fair value adjustment through other comprehensive income	(876)	(334)
Impairment (note 18)	(686)	-
Foreign exchange (loss)/gain	(114)	187
At 31 March	**-**	**1,676**

On 1 March 2017, the Group acquired 7,550,000 shares of Management Resource Solutions Plc ("MRS") for £0.15 per share by issuance of 25,166,666 ordinary shares of the Group. The fair value of the MRS shares was determined to be the value of the shares of the Group issued, as MRS was a public company whose shares were not trading at the time and the market price was not available. On 5 May 2017, the MRS shares resumed trading on the AIM market of the London Stock Exchange.

During the year ended 31 March 2018 the Group acquired an additional 10,000,000 ordinary shares of MRS at £0.05 per share. At 31 March 2019 and 31 March 2018 the Group held 17,550,000 ordinary shares representing 9.59% of the issued share capital of MRS. As at 31 March 2019 the investments in MRS shares were valued at $686,000 based on share price of £0.03 per share.

12. Financial asset at fair value through other comprehensive income (continued)

On 4 September 2019, London Stock Exchange temporarily suspended the trading of MRS shares as two of the company's principal subsidiaries were placed into administration. As a result, the Group recorded a full impairment of the MRS shares which has been included as an exceptional item in profit and loss.

Management have assessed whether the Group exercises significant influence over MRS in accordance with the accounting policy as per note 4. Management have taken into consideration the criteria as set out in IAS 28 'Investments in Associates' and have determined that the Group did not exercise significant influence over MRS during the year. J. Zorbas was a non-executive director of MRS until his resignation on 30 August 2019.

13. Trade and other receivables

	31 March 2019 $'000	31 March 2018 $'000
Other receivables	**64**	67

14. Share capital and share premium

	Number of shares	Share capital $'000	Share premium $'000	Total $'000
At 31 March 2017	772,571	7,726	46,723	54,449
Shares issued upon exercise of share options	8,000	80	123	203
Reclassification of fair value of share options exercised	-	-	92	92
At 31 March 2018 and 2019	780,571	7,806	46,938	54,744

Issued shares

All issued shares are fully paid up.

Authorised: unlimited number of common shares. There are no preferences or restrictions attached to any classes of common shares.

During the year ended 31 March 2018 8,000 shares were issued upon exercise of share options by J. Vieira (3,000 shares); J. Zorbas (3,000 shares) and D. Subotic (2,000 shares), all at an exercise price of £20 per share.

On 20 November 2018 the Company completed a share consolidation by combining all of the existing ordinary shares on the basis of one new ordinary share of no par value for 1,000 existing ordinary shares of no par value, such shares having the same rights as the existing ordinary shares.

14. Share capital and share premium (continued)

Unissued shares
In terms of the BVI Business Companies Act, any unissued shares are under the control of the Directors.

Dividends
Dividends declared and paid by the Group were $nil for the year ended 31 March 2019 (2018 - $nil).

15. Reserves

(a) Share option and warrants reserve

The Share Option Plan is administered by the Board of Directors, which determines individual eligibility under the plan for optioning to each individual. Below is disclosure of the movement of the Group's share options as well as a reconciliation of the number and weighted average exercise price of the Group's share options outstanding on 31 March 2019 and 31 March 2018.

The assessed fair value at grant date is determined using the Black-Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

During the year ended 31 March 2018 30,200 share options were granted. The options vested on grant and 15,050 options are exercisable at a price of £0.60 and 15,150 options are exercisable at £90.

The inputs into the option pricing model for the 15,050 options granted in April 2017 are as follows:

Weighted average exercise price	£60
Expected volatility	92.88%
Expected life	5 years
Risk-free interest rate	0.91%
Expected dividends	0.0%

The inputs into the option pricing model for the 15,150 options granted in April 2017 are as follows:

Weighted average exercise price	£90
Expected volatility	92.88%
Expected life	5 years
Risk-free interest rate	0.91%
Expected dividends	0.0%

15. Reserves (continued)

(i) Reconciliation of share options outstanding as at 31 March 2019:

Exercise prices (£)	Weighted average remaining life (years)	Number of options outstanding	Number exercisable
60	3.15	15,050	15,050
90	3.15	15,150	15,150
49	1.56	2,633	2,633
70	3.02	32,833	32,833

The share options detailed in the above table have been adjusted to reflect the share consolidation in the year.

(ii) Continuity and exercise price

The number and weighted average exercise prices of share options are as follows:

	Number of options	Weighted average exercise price per share (£)
At 31 March 2017	11,133	30
Options exercised	(8,000)	34
Options expired unexercised	(500)	34
Options granted	30,200	80
At 31 March 2018 and 2019	32,833	70

The following is a summary of the Group's warrants granted under its Share Incentive Scheme. As at 31 March 2019 the following warrants, issued in respect of capital raising, had been granted but not exercised:

Name	Date granted	Date vested	Number of warrants	Exercise price (£)	Expiry date	Fair value at grant date (£)
Beaumont	9 October 2009	9 October 2009	100	345	9 October 2019	345

(b) Foreign Currency Translation Reserve

The Foreign Currency Translation Reserve represents foreign currency differences recognised directly in other comprehensive income when assets and liabilities of foreign operations are translated to the Group's presentational currency at exchange rates at the reporting date and income and expenses are translated to the Group's presentational currency at average exchange rates.

16. Trade and other payables

	As at 31 March 2019 $'000	As at 31 March 2018 $'000
Other payables	**360**	358
Accruals	**799**	619
	1,159	977

17. Related party transactions

(a) Transactions with key management personnel

During the year ended 31 March 2019, nil (2018 - 30,200) share options were granted to key management personnel as defined by IAS 24 'Related party disclosures'. Key management personnel include J. Peng, a senior employee of Marrelli Support Services Inc. (MSSI), a company which provides financial accounting services to the Group. The share options granted in the year ended 31 March 2018 expire on 19 April 2022.

The following share options, granted to current and past directors and management, were outstanding as at 31 March 2019.

Directors/officers	Exercise price (£)	Number of options outstanding	Expiry date
Directors			
J. Zorbas	60	5,000	19 April 2022
J. Zorbas	90	5,000	19 April 2022
J. Vieira	60	2,600	19 April 2022
J. Vieira	90	2,600	19 April 2022
Management			
J. Peng	60	1,000	19 April 2022
J. Peng	90	1,000	19 April 2022
Former directors			
D. Subotic	60	2,600	19 April 2022
D. Subotic	60	2,600	19 April 2022
H. Kloepper	60	1,000	19 April 2022
H. Kloepper	90	1,000	19 April 2022

17. Related party transactions (continued)

(b) Directors' remuneration

	Year ended 31 March 2019 $'000	**Year ended 31 March 2018 $'000**
Fees for services as director	**32**	30
Basic salary	**183**	187
Share-based payments	**-**	74
Total	**215**	291

Included in trade and other payables in note 16 are amounts accrued in respect of fees and salary of directors' of the Company in the year totalling $761,000 being amounts due to J.Zorbas ($688,000,(31 March 2018:$527,000)); J Vieira ($44,000, (31 March 2018:$32,000)); K. Appleby $16,000 (31 March 2018: $nil) and H. Kloepper ($13,000,(31 March 2018:$13,000)).

18. Loss before income tax

The following items have been charged in arriving at the loss before income tax for the year:

	Year ended 31 March 2019 $'000	**Year ended 31 March 2018 $'000**
Auditors' remuneration	**87**	40
Directors' fees	**32**	31
Share-based payment charge	**37**	128
Operating lease charges	**17**	16
Depreciation	**40**	33
Exceptional items	**1,554**	-
Foreign exchange loss/(gain)	**120**	(220)

The exceptional items in the year relate to the impairment of the shares in MRS of $686,000 (note 12) which have been fully impaired at the year end, and the impairment of the Group's 50% interest in the Burgersfort project of $868,000 which has also been fully impaired at the year end (note 11).

19. Income tax expense and deferred taxation

The Group is incorporated in the British Virgin Islands (BVI). The BVI Business Companies Act imposes no corporate or capital gains taxes and the Group's losses will also not result in an income tax recovery in the BVI. However, the Group may be liable for taxes in the jurisdictions where it operates or develops mining properties.

Effective 13 July 2012, the Group became resident in Canada, and is subject to income taxes at a combined federal and provincial statutory tax rate of 26.5% (2018 - 26.5%).

Income tax expense from the amount that would be computed by applying the Canadian federal and provincial statutory income tax rates to the loss for the year is as follows:

	2019 $'000	2018 $'000
Loss for the year before taxation	(2,291)	(862)
Expected income tax recovery	(607)	(228)
Benefit of losses not recognised	607	228

A deferred tax asset has not been recognised in respect of the losses because there is insufficient evidence of the timing of future taxable profits against which it can be recovered.

The significant components of the Group's unrecognised deductible temporary differences as at 31 March 2019 and 2018 are as follows:

	2019 $'000	2018 $'000
Loss carry-forward	13,696	11,338
Share issuance costs	164	232
Other	982	982

20. Segmental information

(a) Reportable segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. Both are determined by the CEO, the Group's chief operating decision-maker, and have not changed in the year. The strategic business units offer different services, and are managed separately because they require different strategies.

The following summary describes the operations in each of the Group's reportable segments:

Exploration	Includes obtaining licences and exploring these licence areas.
Corporate Office	Includes all Group administration and procurement

There are no other operations that meet any of the quantitative thresholds for determining reportable segments during the years ended 31 March 2019 or 31 March 2018.

There are varying levels of integration between the Exploration and Corporate Office reportable segments. This integration includes shared administration and procurement services.

Information regarding the results of each reportable segment is included below. Performance is measured based on segmented results. Any inter-segment transactions would be determined on an arm's length basis. Inter-segment pricing for the periods ended 31 March 2019 and 2018 consisted of funding advanced from Corporate Office to Exploration.

(b) Operating segments

	Exploration		**Corporate office**		**Total**	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Depreciation	(40)	(33)	-	-	(40)	(33)
Reportable segment loss before tax	(908)	(33)	(1,383)	(829)	(2,291)	(862)

	Exploration		**Corporate office**		**Total**	
As at 31 March	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Reportable segment assets	2,509	3,396	585	3,033	3,094	6,429
Reportable segment liabilities	(11)	(10)	(1,148)	(967)	(1,159)	(977)

20. Segmental information (continued)

(c) Geographical segments

During the years ended 31 March 2019 and 31 March 2018, business activities took place in Canada and South Africa. In presenting information based on the geographical segments, segment assets are based on the physical location of the assets.

The following table presents segmented information on the Group's operations and loss for the year ended 31 March 2019 and assets and liabilities as at 31 March 2019:

	Canada $'000	Sweden $'000	South Africa $'000	Total $'000
Net loss	(1,383)	-	(908)	**(2,291)**
Total assets	566	-	2,528	**3,094**
Non-current assets	43	-	2,512	**2,555**
Liabilities	(1,148)	(11)	-	**(1,159)**

The following table presents segmented information on the Group's operations and loss for the year ended 31 March 2018 and assets and liabilities as at 31 March 2018:

	Canada $'000	Sweden $'000	South Africa $'000	Total $'000
Net loss	(829)	-	(33)	**(862)**
Total assets	3,033	-	3,396	**6,429**
Non-current assets	85	-	3,284	**3,369**
Liabilities	(967)	(10)	-	**(977)**

21. Contingent liabilities

The Group is subject to the conditional consideration in respect of the acquisition of UML as detailed in note 11.

22. Subsequent event

On 4 September 2019 the London Stock Exchange temporarily suspended the trading of MRS shares as two of the company's principal subsidiaries were placed into administration. As a result, the Group recorded an impairment of MRS shares which has been included as an exceptional item in profit and loss.