Becoming the AIM market's premier uranium exploration and development company

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2013

IDENTIFYING AND DEVELOPING THE NEXT GENERATION OF EMERGING LOW-COST URANIUM MINING OPPORTUNITIES TO FUEL THE GLOBAL NUCLEAR RENAISSANCE

Forward-Looking Statement

This annual report contains 'forward-looking information', which may include, but is not limited to, statements with respect to the future financial and operating performance of URU Metals Limited, its subsidiaries, investment assets and affiliated companies, its mining projects, the future price of uranium, the estimation of mineral resources, the realisation of mineral resource estimates, costs of production, capital and exploration expenditures, costs and timing of the development of new deposits, costs and timing of the development of new mines, costs and timing of future exploration, requirements for additional capital, governmental regulation of mining operations and exploration operations, timing and receipt of approvals, licenses, and conversions under the governments of Canada, Sweden, the Republic of South Africa and the Republic of Niger, and other applicable mineral legislation, environmental risks, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as 'plans', 'expects', 'is expected', 'budget', 'scheduled', 'estimates', 'forecasts', 'intends', 'anticipates' or 'believes', or variations (including negative variations) of such words and phrases, or state that certain actions, events or results' may', 'could', 'would', 'might' or 'will' be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of URU Metals and/or its subsidiaries, investment assets and/or its affiliated companies to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations and studies; fluctuations in the value of UK pounds sterling relative to the South African Rand, the Swedish Krona, the Canadian Dollar, and the US Dollar and other foreign currencies; changes in project parameters as plans continue to be refined; future prices of uranium; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability, insurrection or war; the effect of HIV on labour force availability and turnover; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although URU Metals has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may well be other factors that cause actions, events or results to differ from those currently anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this annual report and URU Metals disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein.

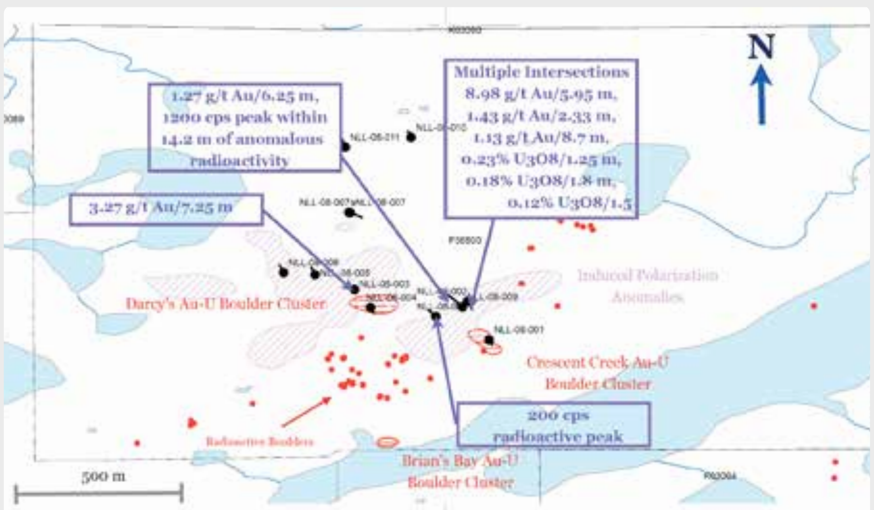
The technical information contained in this announcement has been reviewed and approved by Mr. Roger Lemaitre, P.Eng., P.Geo., the Chief Executive Officer and a Director of URU Metals. Mr. Lemaitre is a member of the Association of Professional Engineers and Geoscientists of Saskatchewan, and is a Member of the Society of Economic Geologists.

Our Business

URU Metals' mission is to identify, invest in, and unlock the hidden value of quality mineral exploration and development projects.

URU Metals' vision is to become the AIM market's premier uranium exploration and development company. URU will achieve its vision by identifying and developing the next generation of emerging low-cost uranium mining opportunities that will fuel the global nuclear renaissance.

The Sandybeach Lake Zone Area - Nueltin Lake Project



Previous work showing drill holes, assay intervals, and mineralized boulders in the Sandybeach Lake Zone area.

THE NÄRKE OIL-U PROJECT	THE NUELTIN AU-U PROJECT	THE SOUTHERN AFRICAN ("SAN") NICKEL JOINT VENTURE
• URU has 100 per cent ownership of 6 exploration licenses covering 7,087 ha of land near the town of Örebro, Sweden. • The licenses cover thick sections of kerogen (oil-bearing), uranium, molybdenum, vanadium, and nickel-bearing Alum Shales. • Potential exists on the properties to define combined non-compliant resources of 1.47 billion tonnes containing 303,000 tonnes U3O8 and 525 million barrels of oil equivalent. If proven, the Närke Project would be one of the world's largest undeveloped uranium deposits.	• Land package covering over 27,000 ha located in the Nunavut Territory of Canada. • Historic 'frost-heaved' mineralized boulders in the area found by previous operators returned assay grades up to 2010 g/t Au and 13.68 per cent U3O8. • The one and only drilling program on the property in 2008 discovered the Sandybeach Lake Au-U Zone comprised of multiple mineralized intersections within bedrock. The best assay intervals were 8.98 g/t Au / 5.95 m and 0.23 per cent U3O8 /1.25 m. • URU has entered into an option agreement to earn 51per cent interest in the project from Cameco Corporation in return for exclusively funding CDN$2.5 million in exploration expenditures by December 2015.	• URU holds a 50per cent interest in the SAN JV, which in turn owns 74per cent interest in the Zebediela project, and a 50per cent interest in the Burgersfort Project, two highly prospective sulphide nickel properties in the Bushveld Ni-Cu-PGM district of South Africa • In June 2012, URU announced the results of a positive NI 43-101 Preliminary Economic Assessment of the Zebediela Project which envisioned a 25-year mine life producing 53,600,000 lbs of Ni per annum, with an NPV8 of over US$1 billion. • Evaluation activities on the SAN JV have been temporarily suspended pending the resolution of a dispute between URU's two JV partners via binding arbitration. The process is expected to be completed by the end of calendar 2013.

The past year

NIGER URANIUM PROJECTS	URAMERICA INVESTMENT
• Received the 3-year exploration license renewals for the In Gall and Irhazer permits in the prolific Tim Mersoi uranium district. • Limited work completed on the properties in 2013 due to delays in the renewal process.	• Post year-end, URU sold its interest in UrAmerica for £200,000. • UrAmerica is a private uranium explorer focused on defining uranium resources on licenses located in the vicinity of the Argentina Government-owned Cerro Solo uranium deposit.

Närke Project Alum Shales

Close up of the Alum Shale in outcrop, taken from previous Swedish government open pit mine, just north of the Närke Project claim boundary.

The 2012/13 financial year was one of significant change for your Company. Exploration efforts at the beginning of the year were focused on the evaluation and development of the Southern African Nickel Joint Venture projects. After the completion of a positive Preliminary Economic Assessment of the Zebediela Project, nickel prices plunged, and a dispute surfaced between URU's partners, Umnex Mineral Holdings ("Umnex") and Southern African Nickel ("SAN"). Despite Management's best efforts, Umnex and SAN entered into a formal arbitration process to settle their dispute, which has had the effect of freezing all development activities on the SAN JV in the short to medium term.

In the second half of the financial year, URU re-focussed its efforts to take advantage of its core strengths in uranium exploration, and embarked on a process to acquire new quality uranium projects for the Company's portfolio. Your Board believes that uranium prices will be increasing in the upcoming year, as uranium supply-demand fundamentals are badly out of equilibrium. The search resulted in the addition of the Närke Oil-Uranium Project in Sweden, and the Nueltin Au-Uranium project to the Company's assets. Both projects are well-positioned to take advantage of the future possible uranium price appreciation.

Highlights

Q1	***April*** The SAN JV announced the drill results of the 16-hole program at Zebediela and the 12-hole program at Burgersfort confirming the presence of large nickel-sulphide bulk-tonnage resources on both properties. URU announced the commencement of a US$685,000 preliminary economic assessment ("PEA") study at Zebediela. The announcement also confirmed that URU had fully vested its interest in the SAN JV through its funding commitments.
	June URU announced the results of the Zebediela PEA study. The Zebediela project is estimated to contain in excess of 1.5 billion tonnes averaging 0.24per cent Ni. Using only 500 Mt of the defined resource, an open pit mine is envisioned producing 25,000 tonnes of nickel per annum with a net present value of over US$1 billion.
Q2	***July*** David Subotic joins the URU Board of Directors.
	August URU is informed by its SAN JV partners, Umnex and Southern African Nickel that their dispute will be entering into a formal arbitration process.
	September Mr. Paul Loudon and Mr. John Lynch resign from the Board of Directors. Mr. Jay Vieira and Mr. Roger Lemaitre (URU's CEO) are appointed to the Board. Mr. Subotic remains on the Board and is appointed Chair.
Q3	***October*** URU holds its' Annual General Meeting. Mr. Subotic, Mr. Vieira, and Mr. Lemaitre are re-elected to the Board. URU's Nominated Advisor, a division of Fairfax PLC, is sold to SP Angel. Due to time constraints around the Fairfax sale,, URU is compelled to follow its Nominated Advisor and co-broker to the new firm, SP Angel.
Q4	***January*** URU closed its administrative office and moves its head office to Toronto, Canada.
	February URU announced that it had entered into an option agreement with the world's largest publicly-traded uranium company, Cameco Corporation, to earn an interest in the Nueltin Lake Au-U project in Nunavut, Canada for $2.5 million of exploration commitments over a three-year period. URU completed its review of Nominated Advisor and Broker services and announces that the firm of WH Ireland had been appointed as the Company's Nominated Advisor and sole broker.
Post Year End	***April*** URU agreed to terms and sells its 7.36per cent equity interest in private uranium explorer UrAmerica for £200,000. The Board, after an extensive review process, appointed Pricewaterhouse Coopers, Toronto office as the Company's new auditor effective 31 March 2013.
	May URU purchased 100per cent of the shares of Svenska Skifferoljeaktiebolaget ("SSOAB"), holders of 6 exploration licences in South-Central Sweden covering oil and uranium-bearing Alum Shale rocks.

Our Strategy

Since the Company's inception, URU has employed at three-pronged strategy to build shareholder value, to grow our asset base, and to achieve shared benefits for stakeholders.

Each sub-strategy is vital to the on-going success of URU Metals. However, the particular emphasis that is given to each particular component of the strategy will vary at any given moment in time, reflecting the results achieved on each project, the Company's share performance, commodity prices, and the market conditions of the sectors in which we operate.

By responding to such conditions in a timely, efficient manner, URU Metals strives to optimize value through flexibility.

The key pillars of our strategy are:

Location of URU's Exploration Projects

1	**Advancing 100per cent owned projects** ***Medium to long-term returns*** URU Metals invests in exploration and drilling programmes to delineate a mineable resource. Should such a resource be defined, the Company will establish operational projects and work towards the production and earnings stages. *Examples in URU's Portfolio – The Närke Project, Niger Uranium Project.*
2	**Joint Ventures** ***Near to medium-term returns*** URU Metals will undertake joint ventures with companies that have the potential to create value through mineral project development, and invest substantially in those joint ventures to advance asset development over the near term. *Examples in URU's Portfolio – The Nueltin Project, the SAN JV.*
3	**Strategic Investments** ***Near to medium-term returns*** The Company will make timely investments in listed or unlisted mining and mineral development companies to optimize shareholder value. Where appropriate, URU Metals 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). *Examples in URU's Portfolio – the former investment in UrAmerica.*

Chairman's Statement

David Subotic
Non-Executive Chairman

"Since September, your new Board and Management team have been re-positioning the Company to take advantage of the current operating environment by acquiring new upgraded exploration assets at attractive prices."

I am pleased to present URU Metals Limited's Annual Report for the year to 31 March 2013.

Fiscal 2013 saw a change in the composition of the Board of your Company. I joined the Board in June, 2012 as the representative of the Company's largest shareholder, NWT Uranium. Mr. Paul Loudon and Mr. John Lynch resigned from the Board in September, 2012 and were replaced by Mr. Jay Vieira, a successful securities lawyer with Folger Rubinoff LLP in Toronto, and Mr. Roger Lemaitre, the Company's CEO since February, 2012. I take this opportunity to thank Mr. Loudon and Mr. Lynch for their contributions to the Company.

Since September, your new Board and Management team have been re-positioning the Company to take advantage of the current operating environment by acquiring new upgraded exploration assets at attractive prices. Located in favourable operating jurisdictions, the new projects have the potential to become substantial producers in the short to medium-term.

Coincident with the upgrade of the Company's portfolio of assets, the Board and Management have been working to reduce the Company's general and administrative costs through the closure of the Johannesburg administrative office in January, and have sold or are pursuing the sale of the Company's non-core assets.

The Company maintains its core strategy to develop uranium assets, as there is a growing supply gap in the uranium market that cannot be filled by current and future planned production, and the Board anticipates growing demand and price appreciation for uranium in the short to medium term.

To that end, the Company acquired an option to earn a 51 per cent interest in the Nueltin Uranium-Gold project ("Nueltin") located in Nunavut, Canada, from the world's largest publicly-traded uranium producer, Cameco Corporation. After year-end, the Company also purchased Svenska Skifferoljetbolaget ("SSOAB"), a Swedish company that holds 100 per cent interest in six mineral exploration licenses in Central Sweden that overlie highly prospective Alum Shale rocks known to contain significant quantities of uranium, oil, and other metals.

Both projects are at the early stage of exploration, but with substantially reduced exploration risk, as the discovery of mineralization has already been made. The Company believes that with a modest investment, both projects can be progressed quickly to a preliminary economic assessment stage.

With the addition of these two new projects, the Company has decided to divest itself of two assets no longer considered to be core holdings. Shortly after year-end, the Company accepted an offer to sell its entire interest in UrAmerica Limited PLC, a private uranium explorer operating in the Chubut Province of Argentina. The Company has also been actively soliciting interest in finding partners for, or entertaining the possibility of the outright sale of the Niger assets. This process is ongoing.

In last year's report, my predecessor reported that a dispute had arisen between our partners on the Zebediela Nickel Joint Venture Project in South Africa, Umnex Mineral Holdings ("UMH") and Southern African Nickel ("SAN"). In June 2012, the joint venture had outlined through a preliminary economic assessment, a resource of over 1.5 billion tonnes of mineralization with a net present value of over US$1 billion. Unfortunately, discussion through to the end of calendar 2012 failed to resolve the dispute between Umnex and Southern African Nickel, such that those two partners entered into a formal arbitration process, that will commence with hearings in the second half of 2013. URU is anticipating resolution of the dispute between these two partners by the end of the calendar year.

I believe that over the past couple of months, URU Metals has upgraded its portfolio of exploration assets to take great advantage of the anticipated improvement in the uranium markets and hope that this will be reflected in the share price and value of your Company in the near future.

David Subotic
Non-Executive Chairman
19 July, 2013

CEO Report

Roger Lemaitre
CEO & Director

"Our shareholders no longer face the technical and financial risks associated with the making a new deposit discovery. In 2014, the Company's focus will shift towards determining the ultimate size and economic viability of the deposits at Nueltin and Närke."

The 2013 fiscal year has been one of tremendous change and activity by your Company. Following an extensive review of quality projects available for acquisition, management is excited to have added two new highly prospective and valuable projects to our portfolio, the Nueltin Lake Uranium-Gold Project in Canada, and the Närke Uranium-Oil Project in Sweden.

These two projects represent an upgrading of the Company's uranium exploration portfolio. Unlike many early stage exploration projects, the discovery risk attached to both the Nueltin and Närke projects have been eliminated through the work of previous operators. The presence of uranium mineralization has already been confirmed on both properties through historic exploration drilling. However, the ultimate size of the mineral deposits on both projects were not defined by that previous work. Our shareholders no longer face the technical and financial risks associated with making a new deposit discovery. In 2014, the Company's focus will shift towards determining the ultimate size and economic viability of the deposits at Nueltin and Närke.

In February, the Company secured an option to earn a 51 per cent interest in Nueltin Lake Gold-Uranium Project from uranium giant, Cameco Corporation by incurring CDN$2.5 million in exploration expenditures over a three-year period. If the Company satisfies the terms of the first option, URU has the right to trigger a second option to earn up to 70 per cent of the project by sole funding an additional CDN$8.0 million in exploration expenditures on the project over the following seven years.

The Nueltin Project was known for decades through the work of prospectors to contain high grade gold and uranium-bearing glacially distributed boulders with gold grades ranging up to 2060 g/t Au and uranium up to 13.68 per cent U_3O_8. In 2008, Cameco conducted the one and only drill program ever undertaken on the property, and was successful at identifying the bedrock source of these mineralized boulders on the Nueltin project lands. Three drill holes encountered impressive grades and widths of gold and uranium mineralization intersecting a previously unknown mineral deposit in the bedrock. Gold intersections ranged up to 8.98 g/t gold over 5.95 metres and uranium intervals ranged as high as 0.23 per cent U_3O_8 over 1.25 metres.

This mineralization, named the Sandybeach Lake Zone, remains open for expansion in all directions, as Cameco declined to mount follow-up drill programs after the onset of the Global Financial Crisis. URU is excited to acquire the Nueltin Lake option from Cameco and is looking forward to leading the next drilling program on the property to determine the potential size of the Sandybeach Lake Zone.

On 23 May, 2013, URU announced the acquisition of SSOAB, holder of six exploration licenses in south-central Sweden known as the Närke Project. The six licenses cover the Alum Shale, a well-known geological formation that in the Närke area that contains significant quantities of uranium, oil, nickel, zinc, molybdenum and vanadium.

Between 1941 and 1966, a Swedish government-owned company produced 61 tonnes of uranium (134,500 lbs) and established an oil-recovery plant on the project, which recovered approximately 159,100 m3 of petroleum (1 million barrels) and 418,400 m3 of fuel oil (2.6 million barrels). This company extracted only a minute portion of the total resource that is believed to exist on the Närke Project.

In the past, the government operator drilled 37 drill holes spread across the six licenses, confirming the presence and thickness of the host Alum Shale rocks, and proved the existence of oil and uranium within the current property boundaries.

URU's primary focus in its initial investigations will be on developing an economically viable metallurgical process to recover uranium and oil from the Alum Shale. URU believes that with the significant technological developments in the recovery of oil from shale rocks and the improvements in uranium extraction technology over the last forty years, these new existing technologies can be utilized by the Company to develop a financially viable project for our shareholders.

The Company was excited in June to announce the results of the Preliminary Economic Assessment ("PEA") on the Zebediela Project, located in the Limpopo Province of South African, comprising part of our Southern African Nickel Joint Venture ("SAN JV"). URU owns a 45 per cent interest in the SAN JV.

The PEA indicated that by extracting only 500 million tonnes of the 1.5 billion tonne total resource defined to date, and using a discount rate of 8 per cent, the project has a Net Present Value ("NPV") of over US$1 billion, producing 25,000 tonnes of nickel per year, which would be a top ten global nickel producer by today's standards.

Unfortunately, even with our extensive assistance, our two partners, Umnex Mineral Holdings ("UMH"), and Southern African Nickel ("SAN") were unable to resolve issues related to an underlying agreement to the SAN JV, and have entered into a formal arbitration process which is expected to commence in July or August of 2013. Although URU is not a part of the arbitration process, and is not incurring any costs associated with the arbitration process, we are carefully monitoring our interests. URU is confident, based on legal advice from our South African counsel, that these issues will be resolved in a manner that will protect our interests and it is anticipated that the project will be back on track in late fiscal 2014. In the unlikely scenario that arbitrator rules against URU's interest, URU will be entitled to receive a cash payment equal to our entire investment in the project, which is approximately US$1.45 million.

On 2 April, 2013, URU sold its complete 7.36 per cent equity interest in private company UrAmerica Limited PLC for GBP200,000. UrAmerica has been exploring for uranium in South America, principally in the Chubut Province of Argentina. After reviewing UrAmerica's progress over the past three years, your Board felt that the unsolicited offer for URU's interest represented the best value for the UrAmerica interest that could be realistically achieved in the short to medium term.

With the acquisition of the Nueltin and Närke Project, and the likely re-establishment of the SAN JV activities in the near future, URU has three high quality assets in its portfolio, which should be accretive to shareholder value as the commodity markets and investor sentiment in the mining industry recover in the coming months.

As a result, your Board has determined that the uranium exploration assets in Niger, while considered to be good projects, not to be as prospective as the other projects in the Company's portfolio. An extensive search by Management to find partners to invest in these projects has not been successful, and the Company will likely be taking steps to terminate activities in Niger in 2014. The Company incurred a write-down of these assets in September with this possibility in mind.

Roger Lemaitre
CEO & Director

Strategy - 2013 Focus on Opportunistic Acquisition

In the fiscal years 2012 and 2013, your Company embarked on a process of diversification in its portfolio of exploration projects beyond the core holdings in the uranium sector. This led the Company to invest in the SAN JV, and subsequent development of the Zebediela Nickel Project through the PEA stage.

The Company believes that the SAN JV meets the diversification objective for our shareholders. However, given the current markets and the relatively low cost of acquisition, over the past year, the Company did entertain and investigated the possibility of investing in other commodities that could be positioned within the 2-4 year window from potential production. The Company positioned itself to be opportunistic, in order to take advantage of the discounted acquisition prices attributed to most available mineral projects.

URU remains committed to its three-prong strategy of acquiring mineral assets, through direct investments in companies with prospects with medium-term production potential, by partnering with other industry participants to develop projects with production forecast in the short-term, and by owning 100 per cent 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.

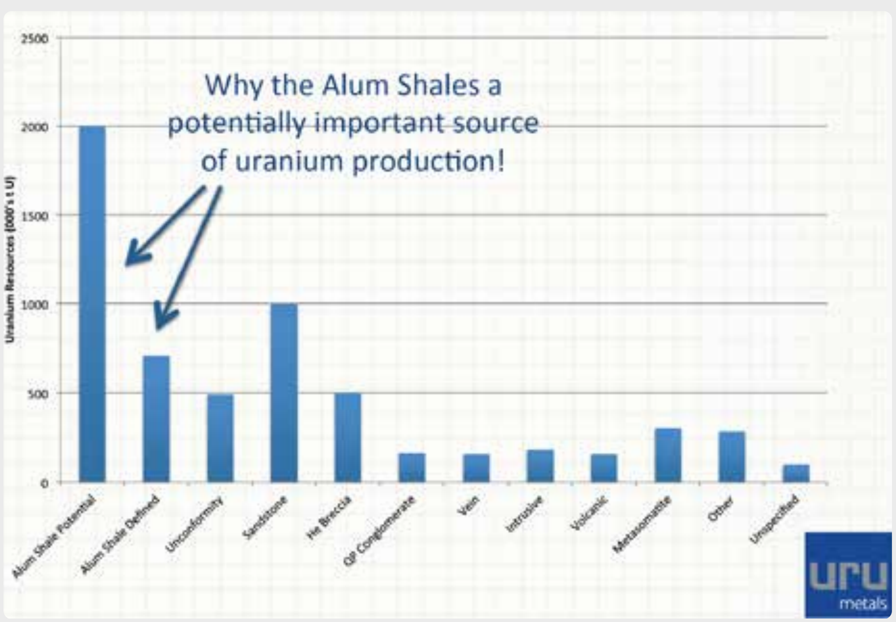
In 2013, given the state of the commodity markets and the mining industry, the Company decided to be opportunistic in acquiring new prospective projects. URU undertook an extensive process to review and acquire projects in what we call the 'sweet-spot', projects positioned between the short and medium-term strategic approaches, where value could be unlocked by defining new resources in a short period of time, while minimizing the exploration technical risks, i.e. projects with known mineral discoveries that were poised, but had not yet seen the investment necessary to convert the discovery into mineral resources. The market value of mineral-resource projects have retained a larger percentage of their pre-recession value compared to earlier stage mineral properties. This approach was deemed best and most opportunistic, as the Company was not in a financial position to acquire projects with substantial mineral resources or in the process of construction or advanced feasibility.

During this process, the Company intentionally turned its attention back to its core strength in the uranium sector. A review by your Management team has led to the belief that investments in the uranium sector will be lucrative to investors in the short term, as the future primary uranium market is clearly undersupplied, requiring significant increases in uranium prices to stimulate miners and explorers to make the necessary investments to meet future uranium demand.

Coupled with the low prices for uranium projects, your Company focused on acquiring quality uranium with by-product projects located in favorable, stable mining jurisdictions which will be expected to appreciate considerably when the uranium market rebounds.

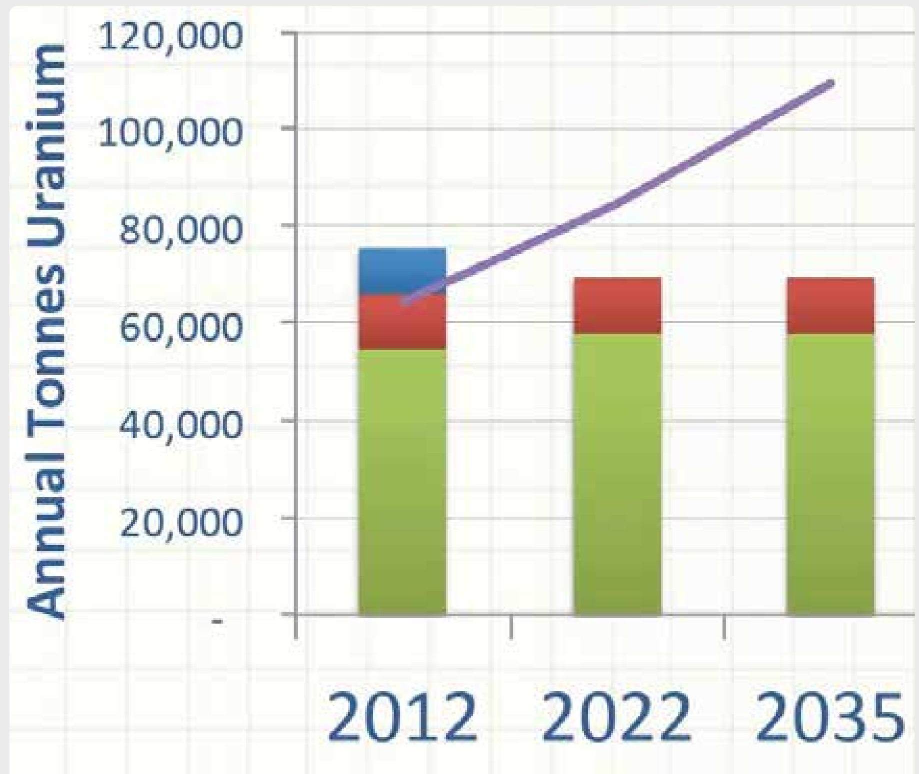
URU would not rule out investing in longer-term 100 per cent equity projects or in other prospective junior companies should the right opportunity arise. However this would be dependent on investor appetite at the time.

Uranium Content of the Alum Shale



"The future primary uranium market is clearly undersupplied, requiring significant increases in uranium prices to stimulate miners and explorers to make the necessary investments to meet future uranium demand."

Uranium Supply-Demand Forecasts from 2012-2035



The Uranium Market

KEY URANIUM SUPPLY ISSUES

1. The upcoming year will be a pivotal one for the uranium industry.
2. The HEU agreement, responsible for 16% of uranium supply and 10% of all US electricity, comes to an end in 2013, a major supply shortfall.
3. A total of 91 'net-new' nuclear reactors is anticipated by 2020, a growth in demand of 21%. The current fleet of 435 reactors is anticipated to grow to 602 reactors by 2035.
4. Over 50 per cent of the known mineable uranium resources needed to meet demand will require prices much higher to be economically viable. Without a substantial increase above the current prices in the US \$40/lb U_3O_8 range (US\$88-95/kg U_3O_8), much of this supply will not be developed.

URU acquired the Nueltin and Närke Projects for their development potential and short to medium-term production timelines, as well as their location in favorable mining jurisdictions. Most importantly, the Company intentionally sought out opportunities to increase exposure to the upcoming increase in uranium prices and industry outlook.

The upcoming year will be a pivotal one for the uranium industry on several fronts.

With the termination in 2013 of the Highly Enriched Uranium deal ("HEU"), a multi-nation UN-sponsored decade-long program, under which Russian nuclear-weapons grade uranium has been downgraded for use in US civilian nuclear power stations, approximately 16 per cent of the world's annual uranium supply will disappear this year.

Today, HEU-sourced uranium is directly responsible for generating 10 per cent of the total United States' electricity generation, and is a key uranium source, supplying more uranium than the combined top three uranium mines in the world. HEU-uranium will not be available to the uranium market anytime in the foreseeable future.

The newly-elected and pro-nuclear Japanese government, highly aware of the need for cheap electricity to power its economic rebuilding program, is in the process of re-starting its nuclear fleet and Japanese demand will return to the uranium market in the short to medium-term. While the pace of the restarts has not yet met expectations, URU is convinced that a large proportion of the Japanese nuclear generating facilities will come back on line over the next year.

Electricity demand is forecast by the International Energy Agency ("IEA") to increase by 76 per cent between 2012 and 2030.

Even with slower-than-expected return to operation of the Japanese civilian nuclear plants, and the potential shutdowns (albeit unlikely to occur) in Germany, growth in the global nuclear generating capacity under the most conservative estimates is staggering, driven primarily by the building of new plants in the developing world.

Today, there are 435 operating nuclear power plants in the world. By 2020, it is expected that there will be 91 net new nuclear reactors (net new being the total new reactors brought on-line less those reactors retired from service) in the global fleet, representing a 21 per cent increase in the number of reactors, a huge increase in uranium demand. These 91 reactors are currently under construction or in the commissioning stage.

Chinese new builds dominate this growth, as 67 new reactors will likely be on-line by 2020. By 2035, the global nuclear fleet is expected to total 602 units, a 38.4 per cent increase over 2012 fleet levels.

The new nuclear plants coming on stream are more efficient and use the new generation pressurized water reactors technology which increases electricity output on a per unit basis. Besides being additions to the fleet, the new reactors will replace less efficient plants that are scheduled for decommissioning.

The electrical generating capacity of new generation of nuclear plants is between 1,000 – 1,800 MW, whereas the older plants, scheduled for retirement, generate approximately 200-800 MW. Thus, over the next couple of decades, the average uranium consumption per nuclear power plant will also be increasing.

The cost of uranium in the total cost per kilowatt-hour of electricity generated is very low, accounting for approximately 0.4 per cent of the total cost of electricity generation. Thus, electrical utilities are insensitive to changes in the price of uranium. However, utility companies as a whole are very risk averse, and those who run nuclear plants need to secure the supply of uranium in order to ensure there is no interruption to their service. No uranium, no electricity.

Nuclear utility companies purchase uranium on long-term supply contracts to ensure stable supply of uranium to feed the nuclear fuel pellet production process. The spike in uranium prices from 2005-2009 shows that the purchase of uranium by utility companies has more to do with supply security than price sensitivity.

While it is very clear that there is a growing demand under the most conservative assumptions for uranium, the ability for the mining industry to meet this growth with new supply is limited. Even amongst the giant producers of the industry, Cameco, AREVA, Paladin, and Rio Tinto, the current price of uranium is barely sufficient to recover operating costs (if at all) and is certainly not sufficient to recover capital invested, never mind making the investors required return on the invested capital. Industry leaders are calling for an increase in the uranium price in excess of US$65/lb U3O8 in order to stimulate investors to supply capital for the badly needed new uranium supply projects.

While there is great debate within the industry and the International Atomic Energy Agency as to the total available supply of uranium to meet world demand, what is clear is that the costs to produce that uranium are increasing. Conservative figures suggest that over 50 per cent of the known resources needed to meet demand will require prices well north of US$59/lb U3O8 (US$130/kg U3O8) to be economically viable, with a large portion of that needing prices above $US81.65/lb U3O8 (US$180/kg U3O8). Thus, without a substantial increase above the current prices in the US$40-43/lb U3O8 range (US$88-95/kg U3O8), much of this supply will not be economic to extract.

Existing producers ability to increase production is limited, as national regulations in most countries, and technical capacities of many operations prohibit rapid changes in annual uranium output. Current producers are also heavily committed in their future sales to existing uranium sales contracts, and do not have the available reserves to meet supplementary demand without compromising their ability to meet their contractual commitments.

Even with price increases to levels that will support some of the higher cost resource projects to come on stream, many of these project will be unable to come on-line due to regulatory prohibitions, regulatory delays, and technical capacities to build and operate uranium projects, further restricting future supply.

Uranium supply is also heavily dominated by the top fifteen giant mines, which account for over 64 per cent of annual supply. Recent history shows that each of the top five mines have experienced unscheduled supply interruptions due to water inflows, fires, terrorist events, and economic factors during the past decade.

However, production from the top three mines combined are still smaller in terms of total production than what will be lost to the industry upon the termination of the HEU agreement this year. With the exception of the Husab Project in Namibia, the bulk future supply will likely come from projects with an annual supply of less than 1,000 tonnes U3O8. The equivalent of five to twenty new mines will be required to replace any of the top five producing uranium mines today through supply interruption, regulatory restrictions, and of course eventual depletion.

Outlook

It's hard to ignore the facts. Demand for uranium is increasing and the supply is diminishing. At the current prices, no new mines will come on stream. We remain bullish on the outlook of uranium and have positioned ourselves to take advantage of the upside potential within the uranium sector. Your Management believes that our current projects have the potential to deliver shareholder value in the short to medium term and look forward to updating shareholders on the development of our two uranium projects, Närke and Nueltin, as well as the SAN project in South Africa.

Roger Lemaitre
CEO & Director

"Improved oil and metal extraction technologies and encouraging historic data provide us with a real opportunity to develop this project and we believe that the addition of the Närke Project to our portfolio of assets, will in the long term provide value to our shareholders."

Outcrop of Alum Shale - Närke Project, Sweden

Principal Risks & Uncertainties

URU Metals 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 Company's ability to develop its project portfolio. The risks that Management has assessed as high are summarized below.

STRATEGIC RISKS

Risk	Mitigation Measure/Comments	Potential Impact
Mineral Reserve and Resource Estimates		
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 are updated regularly and are prepared to internationally recognized code compliant standards by Qualified Persons under NI 43-101 requirements.	High

FINANCIAL RISKS

Risk	Mitigation Measure/ Comments	Potential Impact
Commodity Prices		
URU Metals' financial performance is dependent upon the price of uranium and 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 Company to raise necessary capital. Capital expenditure plans are aligned to prevailing and anticipated market conditions.	High
Costs and Capital Expenditures		
The Company is exposed to on-going expenditure obligations resulting from its project development activities in South Africa and Niger and its new projects in Canada and Sweden.	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.	High
Liquidity		
URU Metals needs to finance its on-going development and growth, which exposes the Company to liquidity risk. If the Company 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 on-going financial needs.	Management monitors liquidity and exploration expenditure. The Board strives to ensure liquidity through timely corporate actions, if and when required.	High

OPERATIONAL RISKS

Risk	Mitigation Measure/ Comments	Potential Impact
Project Execution		
The inability to develop near- and longer-term capital projects will impact on URU Metals' strategic objectives and affect its ability to meet growth and production objectives.	The Company reviews its project portfolio on a regular basis and utilizes relevant data, such as code compliant Mineral Reserve and Mineral Resource estimates, to guide development priorities. A balanced portfolio reduces risks associated with a specific project or commodity. The Company also makes use of experienced contract and consultant personnel with relevant experience in project execution.	High

PERSONNEL RISKS

Risk	Mitigation Measure/ Comments	Potential Impact
Management		
Loss of key management personnel can impact on the Company's strategic and operational functionality.	The Company seeks to provide competitive salary arrangements to attract and retain the services of these personnel members.	High
Skills Availability		
Skills shortages have been a feature of exploration across the board. The inability to attract suitably skilled individuals in the vicinity of URU Metals' operations can impact on the quality and efficiency of the work performed.	Management has implemented retention strategies, including competitive wage arrangements, as and when required. The Company also makes use of experienced contract and consultant personnel with relevant experience in project execution.	High

PERSONNEL RISKS (CON'T)

Risk	Mitigation Measure/Comments	Potential Impact
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 Company's reputation.	URU Metals takes the health and safety of all those who work for and with the Company very seriously. Health and safety policies are adopted at all project sites, and are monitored, reviewed and improved on a regular basis. Measures are based on the principles outlined in the Prospectors and Developers of Canada's e3 program.	High

ENVIRONMENTAL RISKS

Risk	Mitigation Measure/Comments	Potential Impact
Unforeseen environmental degradation resulting from the Company'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 to identify environmental risks and mitigation measures.	High

EXTERNAL RISKS

Risk	Mitigation Measure/Comments	Potential Impact
Political, Legal and Regulatory Development		
URU Metals 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.	URU focuses on project development in stable, mining-friendly countries, and liaises with governments on aspects of its operations on a regular basis. URU monitors the political landscape to keep abreast of likely changes in regulatory policies, and adjusts its asset mix accordingly.	High

EXTERNAL RISKS (CON'T)		
Risk	**Mitigation Measure/Comments**	**Potential Impact**
Community Relations		
Disputes may arise with local communities, causing disruption to projects or operations. Land claims between indigenous groups and federal and regional governments. Objections to mining, particularly uranium mining could disrupt operations.	URU Metals is committed to the establishment of close working relationships with communities in the areas in which it operates. URU consults with local stakeholders, identifying them prior to the onset of activities. URU will work with stakeholders to define the way in which the Company's operations will positively impact local communities.	High

"Demand for uranium is increasing and the supply is diminishing. At the current prices, no new mines will come on stream. remain bullish on the outlook of uranium and have positioned ourselves to take advantage to the upside potential within the uranium sector."

Directors & Management

Mr. David Subotic
Non-Executive Chairman
Mr. Subotic is a former vice president of Haywood Securities, an international investment firm specialising in the resource sector, where he helped raise more than $2 billion in financing for commodities and oil and gas companies. Previously, Mr. Subotic was a vice president of Canada's Yorkton Securities, a national full-service firm that provides services to institutional investors, issuing companies and retail clients. More recently Mr. Subotic was the founder and chief executive officer of Asian Coast Development Ltd., an international resort developer planning the $4.2 billion Ho Tram Strip integrated resort destination in Southern Viet Nam. Mr. Subotic is currently the CEO and CIO of DAS Capital, a Singapore- and Toronto-based hedge fund and a director of NWT.

Mr. Roger Lemaitre
Chief Executive Officer & Director
Mr. Roger Lemaitre is currently the Company's Chief Executive Officer. Mr. Lemaitre is a Professional Engineer and Geologist with more than 20 years of professional experience, predominantly with major mining companies and has held a variety of senior management positions with Cameco Corporation, one of the world's largest uranium producers, and was most recently Cameco's Director of Worldwide Exploration where he was responsible for overseeing Cameco's international exploration programs and budgets on 95 different projects coordinated from three offices located on three continents. Prior to joining Cameco, Mr. Lemaitre was a project and field geologist for senior mining companies and junior explorers searching for copper, zinc and gold. Mr. Lemaitre has a Master of Business Administration from Athabasca University, a Master of Applied Science in Geology from McGill University and a Bachelor of Applied Science in Geological Engineering from Queen's University.

Mr. Jay Vieira
Director
Mr. Vieira is, and has been since 2006, a partner with the law firm of Fogler, Rubinoff LLP, Toronto, Ontario. Prior to that and since 2000, Mr. Vieira was an associate with Sui & Pathak, Sui & Company and Himlefarb, Prozanski as well as being as sole practitioner. Mr. Vieira focuses on the area of securities and corporate finance. Mr. Vieira is a member of the Canadian and Ontario bar associations and the Law Society of Upper Canada. Mr. Vieira was admitted to the Ontario bar in 1999 after obtaining his LL.B. from the University of Windsor Law School. Mr. Vieira holds a B.A. (Hons.) in Humanities from McMaster University.

Statement of Directors' Responsibility

The Directors are responsible for the preparation and fair presentation of the consolidated annual financial statements of URU Metals Limited, comprising the consolidated statement of financial position at 31 March 2013, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards.

The Directors are also responsible 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, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the Company's ability to continue as a going concern and have concluded that, as discussed more fully in Note 2 to the Financial Statements, there is significant doubt regarding the ultimate applicability of the going concern assumption.

The auditor is responsible for reporting on whether the consolidated annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the consolidated annual financial statements

The consolidated annual financial statements of URU Metals Limited, as identified in the first paragraph, were approved by the Board of Directors on 19 July 2013 and are signed on their behalf by:

David Subotic
Chair
19 July, 2013

Jay Vieira
Director
19 July, 2013

Roger Lemaitre
CEO & Director
19 July, 2013

Independent Auditor's Report

pwc

July 19, 2013

Independent Auditor's Report

To the Shareholders of
URU Metals Limited

We have audited the accompanying consolidated financial statements of URU Metals Limited and its subsidiaries, which comprise the consolidated statement of financial position as at March 31, 2013 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year ended March 31, 2013, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215, www.pwc.com/ca

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Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of URU Metals and its subsidiaries as at March 31, 2013 and their financial performance and its cash flows for the year ended March 31, 2013 in accordance with International Financial Reporting Standards.

Emphasis of matter
Without qualifying our opinion, we draw attention to Note 2 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about URU Metals Limited's ability to continue as a going concern.

Other matter
The consolidated financial statements of URU Metals Limited as at and for the year ended March 31, 2012 were audited by another auditor who expressed an unmodified opinion on those statements in their report dated July 30, 2012.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Accountants, Licensed Public Accountant

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Directors' Report

The Directors are pleased to present their sixth report, which supplements the annual consolidated financial statements for the year ended 31 March 2013.

The Company was incorporated in the British Virgin Islands on 21 May 2007 in terms of the BVI Business Companies Act.

The Company's shares were admitted to trading on AIM, a market operated by the London Stock Exchange on 12 September 2007.

Nature of Business

URU Metals Limited ("URU Metals", or "the Company") and its subsidiaries (together referred to as "the Group"), is a metals exploration and development Group with a current focus on the development of large-scale metals projects in Canada, and South Africa. The Group will consider either non-controlling positions or the outright purchase of uranium and other metals projects held by quoted or unquoted companies worldwide.

Our strategy is to build shareholder value by identifying, investing in, and developing the potential of mineral projects. URU Metals focuses on projects that can enter into the pre-feasibility stage within a three-year timeframe.

1. *Emerging Exploration Projects - Medium to long-term focus*

URU reviews early stage exploration projects that are at the cusp of defining mineable resources in the medium term (3-5 years). The Company will invest in such projects with the goal of being the majority owner and project operator, and realizing shareholder value once the project reaches the pre-feasibility stage.

2. *Mid-Stage Projects - Near to medium-term returns through direct ownership*

URU Metals will invest in projects that have a near to medium-term potential for a return to investors by partnering with companies that have made a significant mineral discovery but require financial and technical assistance in reaching the feasibility stage, where shareholder value can be realized through advancing the project to production, or through a liquidation event.

3. *Strategic investments - Near to medium term returns through passive investments*

The Company will make timely investments in resources and mineral development companies, listed and unlisted, with attractive growth prospects, and in which it can realise value in near to medium term.

During the year, the Group entered into an agreement to earn into the Nueltin Gold-Uranium project in Canada, and activities are progressing to commence the Company's first field exploration program on the project this summer. Reduced exploration activities were incurred in the Republic of Niger as the Company was forced to wait for exploration permit renewals to be completed. The Company continued in the year towards the development of the portfolio of nickel assets in the Nickel Joint Venture before the project stalled when our two partners entered an arbitration process.

Subsequent to year-end, the Group sold its equity interest in UrAmerica PLC ("UrAmerica"), an Argentinean based uranium project developer. Also subsequent to year end, the Company announced that it had acquired all the outstanding ordinary shares of a Swedish company, Svenska Skifferoljeaktiebolaget ("SSOAB") from a private company Global Hydrocarbons Limited. Both of these transactions are discussed in more detail in Note 25 to the annual consolidated financial statements.

Operating and Financial Review

As the Group is primarily involved in exploration and project development, no income is generated (2011: Nil).

	Group 31 March 2013	Group 31 March 2012
Operating results		
Loss for the year (USD '000)	(9,080)	(2,391)
Basic loss per share (US cents)	(8.02)	(2.11)

Market Trends

Existing producers' ability to increase production is limited, as national regulations in most countries, and technical capacities of many operations, prohibit rapid changes in annual uranium output. Uranium supply is also heavily dominated by the top fifteen giant mines, which account for over 64 per cent of the annual supply. Recent history shows that each of the top five mines have experienced unscheduled supply interruptions due to water inflows, fires, terrorist events, and economic factors during the past decade.

With the termination of the Highly Enriched Uranium deal ("HEU"), a multi-nation UN-sponsored decade-long program in 2013, under which Russian nuclear-weapons grade uranium has been downgraded for use in US civilian nuclear power stations, approximately 16 per cent of the world's annual uranium supply will disappear this year. However, production from the top three mines combined are still smaller in terms of total production than what will be lost to the industry upon the termination of the HEU agreement this year.

In contrast: By 2020, it is expected that there will be 91 net new nuclear reactors (net new being the total new reactors brought on-line less those reactors retired from service) in the global fleet, representing a 21 per cent increase in the number of reactors, a huge increase in uranium demand. These 91 reactors are currently under construction or in the commissioning stage.

Environmental matters

As the Company has not been conducting active field exploration operations since early in the fiscal year, there are no emerging environmental issues related to existing projects.

However, URU will be commencing activities in two new operating jurisdictions in the upcoming year and will be working with local regulators and stakeholders to identify and mitigate future potential environmental issues using the Prospector and Developers e3 Plus principles.

The Company's employees

URU has only a small number of employees. The Company currently employs one individual who is based in Canada, the Company's CEO, and thirteen employees of Niger Uranium SA, the Company's Nigerien subsidiary.

The Company 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. URU currently has contracts with individuals or companies to provide public relations, project management, and accounting/controller expertise.

The Company's Compensation Committee reviews Canadian employee remuneration annually. Niger Uranium SA employee remuneration is reviewed on a periodic basis by the URU CEO and the Niger Uranium SA Country Manager and adjusted accordingly.

Social and community issues

As the Company has not been conducting active field exploration operations since early in the fiscal year, there are no emerging social and community issues related to existing projects.

Since the completion of the Preliminary Economic Assessment on the Zebediela Project, labour issues within the South African mining community have flared up resulting in violent and sometimes fatal incidents between mine workers and South African police have made international headlines. As URU was not the operator of the SAN JV, and the fact that the Zebediela Project has been at an early evaluation stage, the project has not be subject to the labour issues currently facing the South African mining industry. URU believes that the issues that have caused the labour conflict to erupt will be resolved between unionized mine worker and the mining industry well before the Zebediela Project would commence construction and operation.

However, URU will be commencing activities in two new operating jurisdictions in the upcoming year and will be working with local regulators and stakeholders, and to identify and mitigate future potential social and community issues using the Prospector and Developers e3 Plus principles.

Committee Meetings

During fiscal 2013, the Board met eleven times, and the Audit Committee once. Both sets of meetings were attended by all Directors in all cases.

Meeting	Date	Directors Attending
Directors	13-Mar-12	2
Directors	22-May-12	2
Audit	30-Jul-12	2
Directors	27-Aug-12	3
Directors	20-Sep-12	3
Directors	01-Oct-12	3
Directors	24-Oct-12	3
Directors	19-Nov-12	3
Directors	18-Dec-12	3
Directors	18-Jan-13	3
Directors	19-Feb-13	3
Directors	27-Feb-13	3

Movement of Headquarters

During the year, the Group moved its business headquarters from Johannesburg, South Africa, to Toronto, Canada. The Johannesburg office was officially closed at 31 January 2013.

Investments

UrAmerica Limited

At the financial year end the Group held a 7.36per cent interest in UrAmerica (2012: 7.36per cent) which it acquired in April 2008 at a cost of USD 4.299 million. UrAmerica is an Argentinian based uranium project developer, with activities in Argentina, Colombia and Paraguay. In the year ended 31 March 2009, the Group impaired its investment in UrAmerica by USD 4.299 million, which was still considered appropriate at 31 March 2013.

On 4 April 2013 the Company sold its entire holdings of 4,421,000 shares in UrAmerica for a total of GBP 200,000. The Company no longer holds any shares or interests in UrAmerica.

Nickel Joint Venture

On 5 October 2010, the Group announced that it had entered into a joint venture (the "Nickel Joint Venture") with Southern African Nickel Limited ("SAN"), the joint owner and current developer of a portfolio of large nickel projects in Southern Africa. Under the agreement, the Group was committed to provide funding to the Nickel Joint Venture of up to USD 3.6 million, in aggregate, over a period of 20 months from October 2010.

In 2012, URU Metals satisfied all its obligations under the Nickel Joint Venture Agreement and has now a fully vested a 50per cent interest in the Nickel Joint Venture.

However, as announced on 6 April 2011, the Joint Venture is seeking to continue the development of the Zebediela Nickel Project. Umnex Mineral Holdings ("Unmex"), the vendor of the Zebediela Nickel Project, will receive a direct interest in the Joint Venture from both Southern African Nickel and URU Metals. Following that direct investment, the effective interest of each party in the Joint Venture will be: URU Metals 45per cent, SAN 40per cent, and Umnex 15per cent.

As a consequence of the positive results from the drilling programme and the progress made in the metallurgical testing phases, early in the year, the Nickel Joint Venture partners, committed a further USD 685,000 in order to complete a Preliminary Economic Assessment study ("PEA") on the Zebediela Nickel Project and to continue with metallurgical testing of the Burgersfort Nickel Project mineralization.

The results of the PEA indicated that a miniature version of an open pit nickel mine at Zebediela mining had an indicated resource of 485.4 million tonnes that could have a net present value (at an 8per cent discount rate) exceeding USD 1 billion, producing over 24,000 tonnes of nickel in high quality concentrate per annum from 20 million tonnes mined annually over a mine life of 25 years. A further resource of 1,115 million tonnes of inferred nickel resources were not considered in the PEA, but represent, along with the future inclusion the production of iron concentrates and significant lateral and depth resource expansion, significant potential to increase the economic value of the project to the Nickel Joint Venture partners.

On 6 August, 2012 URU was informed by its partners, SAN and Umnex, that they had entered into an arbitration process against each other with hearings to be held in front of the Arbitration Foundation of Southern Africa.

The dispute, in which both partners are citing a lack of performance in achieving deliverables under the SAN-Umnex joint venture agreement, is strictly between SAN and Umnex. URU is not a direct party to the dispute.

URU's interest in the Zebediela project has been vested through an agreement signed between SAN and URU (that pre-dates the SAN-Umnex agreement which is the subject of this dispute) under which URU would have first refusal over African nickel projects identified by SAN.

URU has solicited legal opinions regarding the arbitration process from legal firms in South Africa and all opinions indicate that the Company's interest, through the earn-in with SAN, will be upheld by arbitration. In the unlikely event that Umnex is awarded the project through arbitration, URU has retained legal advice that Umnex will be required to repay to URU the entire cost of expenditures completed to date, which totals approximately USD 1.45 million.

The initial hearings to commence the arbitration process are scheduled for 18 July, 2013. Final resolution of the arbitration process is expected prior to the end of the calendar year.

Nueltin Lake Gold-Uranium Project

On 5 February, 2013, the Group signed an exclusive option agreement with Cameco Corporation ("Cameco") to earn a majority interest in Nueltin Lake Gold-Uranium Project ('the Project"), in the Kivalliq Region of the Territory of Nunavut, Canada.

Under the terms of the option agreement, URU Metals will fund a total of CAD 2.5 million on exploration expenditures over a three-year period in return for a 51 per cent stake in the Project ("the First Option"). The Group is committed to spend a minimum of CAD 550,000 by 31 December 2013, at which point the Group has the ability to decide whether to satisfy the remaining exploration requirement to satisfy the First Option in full.

On completion of the First Option, URU has the option to earn an additional 19 per cent interest in the project by funding a further CAD 8.0 million in exploration over a four-year period ("the Second Option").

On successful completion of both options, the Company would have earned a 70 per cent interest in the Project by completing CAD 10.5 million in exploration expenditures over a seven-year period. URU will be the project operator over the option earn-in period.

After URU completes its earn-in requirement under the Option Agreement, the parties will enter into a standard joint venture agreement, the form of which has already been agreed to and appended to the Option Agreement.

Funding

The Group continued to fund its activities from its own cash resources.

	Group 31 March 2013	Group 31 March 2012
Financial position		
Total assets (USD '000)	3,456	12,606
Total shareholders' funds (USD '000)	3,290	12,284
Net asset value per share (US cents)	2.9	10.8

The financial position and the results of operations are fully dealt with in the financial statements on pages 32 to 62.

Dividends

The Board does not recommend a dividend in respect of the results for the year ended 31 March 2013.

Risks, Uncertainties, and Going concern

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.

Having reviewed its financial requirements over the next eighteen months to two years, and on the basis that the Group continues with its current strategies, the Board and management considers that the Group may have difficulty meeting its requirements under the "going concern" parameters as discussed fully in Note 2 to the Financial Statements. Based on the current financial projections, and as discussed in Note 2 to the financial statements, if the Company is unable to raise additional capital through the equity markets to support the Nueltin (Note 21) and Närke (Note 25) Projects, the Group may run short of the cash needed to maintain the business after the end of the 2014 financial year-end.

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 segment reporting is set out in note 7 to the annual consolidated financial statements.

Changes to the Board and Senior Management

On 12 July 2012, URU Metals announced that Mr. David Subotic was appointed to the Board as a Non-Executive Director with immediate effect. Mr. Subotic was nominated to join the Board by NWT Uranium Corporation ("NWT"), the Company's largest shareholder, pursuant to the terms of the relationship agreement between the Company and NWT dated 20 April 2010 (the "Relationship Agreement"). Mr Subotic was nominated as Chairman of the Board at the meeting of 26 September 2012. Mr. Subotic is the Chairman, President and Chief Executive Officer of NWT. He is also the President and Chairman of DAS Capital Limited.

Mr. Subotic is a former vice president of Haywood Securities, an international investment firm specialising in the resource sector, where he helped raise more than $2 billion in financing for commodities and oil and gas companies. Previously, Mr. Subotic was a vice president of Canada's Yorkton Securities, a national full-service firm that provides services to institutional investors, issuing companies and retail clients. More recently Mr. Subotic was the founder and Chief Executive Officer of Asian Coast Development Ltd., an international resort developer planning the $4.2 billion Ho Tram Strip integrated resort destination in Southern Viet Nam. Mr. Subotic is currently the CEO and CIO of DAS Capital, a Singapore- and Toronto-based hedge fund and a director of NWT.

Mr. Subotic holds 3,250,000 ordinary shares in URU Metals, which represents 2.8per cent of the issued share capital of the Company. Mr. Subotic also holds 1,000,000 options over the Company's ordinary shares. Mr Subotic holds 4,360,000 ordinary shares in NWT, which represents 3.27per cent of the issued share capital of NWT.

On 21 September, 2012, the Company announced that Mr. Paul Loudon, Chairman and Director and Mr. John Lynch, Director, resigned from the Board of Directors of the Company. On the same date, the Company appointed Mr. Jay Vieira and Mr. Roger Lemaitre to the Board of Directors.

Mr. Vieira is, and has been since 2006, a partner with the law firm of Fogler, Rubinoff LLP, Toronto, Ontario. Prior to that and since 2000, Mr. Vieira was an associate with Sui & Pathak, Sui & Company and Himmelfarb, Prozanski as well as being as sole practitioner. Mr. Vieira focuses on the area of securities and corporate finance. Mr. Vieira is a member of the Canadian and Ontario bar associations and the Law Society of Upper Canada. Mr. Vieira was admitted to the Ontario bar in 1999 after obtaining his LL.B. from the University of Windsor Law School. Mr. Vieira holds a B.A. (Hons.) in Humanities from McMaster University.

Mr. Vieira does not currently own any interest in ordinary shares of the Company and holds 1,000,000 share options.

Mr. Roger Lemaitre is currently the Company's Chief Executive Officer. Mr. Lemaitre is a Professional Engineer and Geologist with more than 20 years of professional experience, predominantly with major mining companies, and has held a variety of senior management positions with Cameco Corporation, one of the world's largest uranium producers. Prior to joining URU Metals, he was Cameco's Director of Worldwide Exploration, where he was responsible for overseeing Cameco's international exploration programs and budgets on 95 different projects coordinated from three offices located on three continents. Prior to joining Cameco, Mr. Lemaitre was a project and field geologist for senior mining companies and junior explorers searching for copper, zinc and gold. Mr. Lemaitre has a Master of Business Administration from Athabasca University, a Master of Applied Science in Geology from McGill University and a Bachelor of Applied Science in Geological Engineering from Queen's University.

Mr. Lemaitre currently holds 1,750,000 share options to purchase ordinary shares in URU Metals, that if exercised would represents 0.44per cent of the issued share capital of the Company. Mr. Lemaitre does not currently hold a direct interest in ordinary shares of the Company.

Audit-Related Matters

Responsibilities of the Audit Committee include

- •Overseeing the financial reporting and disclosure process.
- •Monitoring choice of accounting policies and principles.
- •Overseeing hiring, performance and independence of the external auditors.
- •Oversight of regulatory compliance, ethics, and whistleblower hotlines.
- •Monitoring the internal control process.
- •Discussing risk management policies and practices with management.

The Company is sufficiently small that an internal audit function would not be practicable.

During the year, the Company took advantage of the move of its administrative office from Johannesburg to Toronto to put the audit to tender. PricewaterhouseCoopers LLP were appointed as auditors by the Board effective 31 March 2013. Their services are currently limited to the external audit.

Other Matters

The Board is sufficiently small that a Nomination Committee is not practicable. Changes in the Board in 2013 were dictated by the appointment, in the wake of the resignation of two Directors, of the CEO and an individual appointed by NWT Uranium (the latter pursuant to the NWT-Niger Uranium Agreement of 2010.) These Board appointments were made in September 2012, and ratified at the Annual General Meeting of October 2012.

In March 2013, URU, in conjunction with the Nominated Advisor, embarked upon a process of identifying and bringing to the Board an independent Non-Executive Director. This process is expected to be completed prior to September 2013.

URU has not adopted a formal performance evaluation process for its Board and the Committees. However, the Board members stand for re-election at the Annual General Meeting.

Management and the Board will often discuss issues and solicit the views of the major shareholders through telephone meetings and in-person discussions on a quarterly basis before making significant changes to the Company's strategies or assets. The Company's largest Shareholder, NWT Uranium, currently has one member on the URU Board.

As noted in the Directors' Responsibility Statement, the Directors are responsible for the preparation and fair presentation of the annual consolidated financial statements of URU Metals Limited, whereas the Company's auditor is responsible for reporting on whether the annual consolidated financial statements are fairly presented in accordance with the applicable financial reporting framework.

Shareholders are referred to the AIM Rule 26 section of the URU website (http://www.urumetals.com/investor-relations/aim-rule-26) for, inter alia, the terms of reference of the nomination, audit and remuneration committees, and the terms and conditions of appointment of Non Executive Directors.

Events after the reporting date

1. *UrAmerica Sale*

On 4 April, 2013, the Company elected to sell its entire holdings (4,421,000 shares) in UrAmerica, an Argentina-based private uranium exploration company for GBP 200,000.

The Company evaluated the offer, and determined that it was unlikely that UrAmerica would be able in increase its value to shareholders based on its exploration results, nor would it be able to list its shares on a public stock exchange in such a way that the Company could realize greater value than the offer presented in the near to medium-term future.

2. *Decision to close the Niger Operations*

For several months, the Company has been soliciting proposals with potential partners with an interest in partnering with the Company, or an outright sale of the Company's Niger assets. Despite discussing the Niger assets with several parties, Management has been unble to find a party to partner with the Company.

While the Company believes that the Niger projects are quality assets, the Company currently does not have the financial resources available to conduct exploration activities as warranted at all of the Company's global portfolio of exploration projects. While the Niger projects are prospective, they are not considered to be in the Company's top three exploration projects at this time.

At the 2 April 2013 URU Board Meeting, the Board passed a resolution to close the Niger operations as soon as it is practical to do so.

3. Purchase of Svenska Skifferoljeaktiebolaget

On 23 May, 2013, the Company announced that it had acquired all the outstanding ordinary shares of a Swedish company, Svenska Skifferoljeaktiebolaget ("SSOAB") from Global Hydrocarbons Limited, a private company. SSOAB holds title to six exploration licenses in Sweden, located in Örebro County, approximately 150 km west-south-west of Stockholm.

The six licences, collectively known as the Närke Project, cover approximately 7,087 ha and overlie the Alum Shale formation, which in the Närke area is considered highly prospective for oil, uranium and a suite of other metals. From 1941 to 1966, the Swedish government produced 61 tonnes of uranium (134,500 lbs) and established an oil-recovery plant on the project, which recovered approximately 159,100 m^3 of petroleum (1 million barrels) and 418,400 m^3 of fuel oil (2.6 million barrels). The operation was closed when cheaper sources of oil became available on the market.

URU has agreed to pay the vendors USD 300,000 and issue 17 million ordinary shares as consideration for the purchase of SSOAB. A deferred payment of USD 200,000 will be paid by URU to the vendors upon the completion of the first exploration drill program on the property in the future.

Share capital

Authorised:

The Company is authorised to issue up to 300,000,000 ordinary shares of USD 0.01 par value. (2011: 300,000,000 ordinary shares of USD 0.01 par value).

Number of issued shares:	**Company 31 March 2013**	Company 31 March 2012
Balance at beginning of year	113,276,722	113,210,056
Issue of shares – share options exercised	-	66,666
Balance at end of year	113,276,722	113,276,722

During the year the movements in the share capital and share premium accounts were as follows:

USD '000	**Company 31 March 2013**		Company 31 March 2012	
	Share capital	**Share premium**	Share capital	Share premium
Balance at beginning of year	1,133	45,724	1,132	45,720
Issue of shares – share options exercised	-	-	1	4
Balance at end of year	1,133	45,724	1,133	45,724

Directors' Remuneration (USD '000)

The Directors' remuneration for the year ended 31 March 2013 is detailed below:

	Fees for services	**Basic salary**	**Share-based payment expense**	**Expense allowanc e**	**Total**
Executive Directors					
R. Lemaitre	9	201	37	-	247
Non-Executive Directors					
J. Vieira	10		22	-	32
D. Subotic	18		22	-	40
P. Laudon	45		42	-	87
D. Lynch	79		42	-	121
Total for the year ended 31 March 2013	**161**	**201**	**165**	**-**	**527**
Total for the year ended 31 March 2012	47	188	50	14	238

Details of share options granted are set out in note 15 to the financial statements.

Interest of Directors and Senior Key Personnel in share capital

The interests, direct and indirect of the Directors and senior key personnel in office are as follows:

	Company 31 March 2013 Ordinary shares		Company 31 March 2012 Ordinary shares	
	Beneficial	**Non-beneficial**	Beneficial	Non-beneficial
Executive Directors	**-**	-	350 000	-
Non-Executive Directors	**3,250,000**	-	36 306	-
Senior key personnel	**-**	-	386 306	-

Shareholders' Spread

An analysis of holdings extracted from the register of ordinary shareholders is listed below:

	31 March2013		31 March2012	
	Number of shares	**% of share capital**	Number of shares	% of share capital
Institutions				
United Kingdom	26,973,499	23.81	27,414,644	24.20
Europe (excluding UK)	1,959,165	1.73	3,399,239	3.00
North America	2,968,437	2.62	3,012,466	2.66
Subtotal - Institutions	**31,901,101**	**28.16**	**33,826,349**	**29.86**
Corporate & Non Profit Organizations	50,782,080	44.83	50,588,673	44.66
Private Investors	8,987,857	7.93	9,108,015	8.04
Brokers	14,268,907	12.60	12,680,502	11.19
Custodians & Nominees	7,177,111	6.34	6,590,473	5.82
Total Analyzed	**113,117,056**	**99.86**	**112,794,012**	**99.57**
Balance of Register not analyzed (< 10,000)	159,666	0.14	482,710	0.43
Total Issued Capital	**113,276,722**	**100.00**	**113,276,722**	**100.00**

Major Shareholders

According to the share registers, the following are the only shareholders beneficially holding, directly or indirectly, in excess of 3% of the share capital:

Top Investors	City	**31 March2013**		31 March2012	
		Number of shares	% of share capital	Number of shares	% of share capital
Niketo Co Limited	Nicosia	49,773,339	43.94	49,773,339	43.94
Hargreave Hale Ltd.	Blackpool	11,197,345	9.88	11,372,345	10.04
Penson Financial Services Inc	Montreal/Dallas	7,430,925	6.56	7,430,925	6.56
TD Waterhouse (Europe) Ltd	London	4,349,052	3.84	4,391,538	3.88
Total		**72,750,661**	**64.22%**	**72,968,147**	**64.42%**

Directors and Secretary

The following were Directors of the Company during the year:

Name	**Title**	**Appointed**	**Resigned**
P. Loudon	Non-Executive Chairman	7 May 2010	21 September 2012
J.P. Lynch	Non-Executive Director	7 May 2010	21 September 2012

Registered office:	**Postal Address:**
Intertrust PO Box 92 Road Town, Tortola British Virgin Islands VG1110	Suite 702 85 Richmond Street Toronto, ON Canada M5H 2C9

As far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have also taken all the steps required as Directors to make ourselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board:

David Subotic
Chairman

Jay Vieira
Director

Financial Statements

Consolidated statements of financial position

USD '000	Note	As at 31 March 2013	As at 31 March 2012
Assets			
Non-current assets			
Plant and equipment	8	12	69
Intangible assets	9	-	4,705
Investment in jointly controlled asset	10	1,527	3,703
		1,539	8,477
Current assets			
Receivables	11	35	94
Cash and cash equivalents	12	1,882	4,035
		1,917	4,129
Total assets		3,456	12,606
Equity and liabilities			
Equity			
Share capital and premium	13	46,857	46,857
Reserves	14	2,121	3,612
Accumulated deficit		(45,688)	(38,185)
		3,290	12,284
Current liabilities			
Trade and other payables	17	166	322
Total equity and liabilities		3,456	12,606

Going concern 2

Commitments and Contingencies 21

The notes on pages 32 to 62 are an integral part of these consolidated financial statements.

Consolidated statements of loss and comprehensive loss

USD '000	Note	Year ended 31 March 2013	Year ended 31 March 2012
Exploration expenses		(18)	(498)
Administrative expenses		(2,030)	(1,893)
Operating loss		**(2,048)**	**(2,391)**
Impairment of intangible assets	9	(4,613)	-
Impairment of jointly-controlled asset	10	(2,409)	-
Loss on disposal of plant and equipment	8	(10)	-
Loss before income tax	18	**(9,080)**	(2,391)
Income tax expense	19	-	-
Loss for the year		**(9,080)**	(2,391)
Other comprehensive income			
Foreign currency translation differences:			
On consolidation of subsidiaries		(63)	(1)
Resulting from change in functional currency		(71)	-
Other comprehensive loss for the year, net of income tax	16	(134)	(1)
Total comprehensive loss for the year		(9,214)	(2,392)
Total comprehensive loss attributable to:			
Owners of the Company		(9,214)	(2,392)
Basic loss per share (US cents)	20	(8.02)	(2.11)
Diluted loss per share (US cents)	20	(8.02)	(2.11)

The notes on pages 32 to 62 are an integral part of these consolidated financial statements.

Consolidated statements of changes in equity

USD '000	Note	Share capital	Share premium	Foreign currency translation reserve	Share option reserve	Accumulated deficit	Total
Balance at 1 April 2011		**1,132**	**45,720**	**(124)**	**3,626**	**(35,794)**	**14,560**
Comprehensive income for the year							
Loss for the year		-	-	-	-	(2,391)	(2,391)
Other comprehensive income							
Foreign currency translation differences	16	-	-	(1)	-	-	(1)
Total comprehensive income for the year		-	-	(1)	-	(2,391)	(2,392)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Issue of ordinary shares		1	4	-	-	-	5
Share-based payment transactions		-	-	-	111	-	111
Total transactions with owners, recognised directly in equity		1	4	-	111	-	116
Balance at 31 March 2012		**1,133**	**45,724**	**(125)**	**3,737**	**(38,185)**	**12,284**
Balance at 1 April 2012		**1,133**	**45,724**	**(125)**	**3,737**	**(38,185)**	**12,284**
Comprehensive income for the year							
Loss for the year		-	-	-	-	(9,080)	(9,080)
Other comprehensive income	16	-	-	(134)	-	-	(134)
Total comprehensive income for the year		-	-	(134)	-	(9,080)	(9,214)
Transactions with owners, recognised directly in equity		-	-	-	-	-	
Contributions by and distributions to owners		-	-	-	-	-	
Issue of ordinary shares		-	-	-	-	-	-
Share-based payment transactions	15	-	-	-	(1,357)	1,577	220
Total transactions with owners, recognised directly in equity		-	-	-	(1,357)	1,577	220
Balance at 31 March 2013	13,14	1,133	45,724	(259)	2,380	(45,688)	3,290

The notes on pages 32 to 62 are an integral part of these consolidated financial statements.

Consolidated statements of cash flows

USD '000	Note	Year ended 31 March 2013	Year ended 31 March 2012
Cash flows from operating activities	22	**(1,913)**	**(1,980)**
Cash flows from investing activities			
Acquisition of plant and equipment	8	(3)	(5)
Investment in jointly controlled asset	10	(233)	(1,928)
Foreign exchange differences on consolidation of subsidiaries		(65)	-
Net cash (used)/generated by investing activities		**(301)**	**(1,933)**
Cash flows from financing activities			
Proceeds from issue of share capital	13	-	5
Net cash from financing activities		**-**	**5**
Net decrease in cash and cash equivalents		(2,214)	(3,908)
Cash and cash equivalents at beginning of year		4,035	7,964
Effect of exchange rate fluctuations on cash held		61	(21)
Cash and cash equivalents at 31 March	12	**1,882**	**4,035**

The notes on pages 32 to 62 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

Detailed Notes

1. *Reporting Entity*

URU Metals Limited (the "Company", or "URU Metals"), formerly known as Niger Uranium Limited, and before that, as UraMin Niger Limited, was incorporated in the British Virgin Islands 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.

The annual consolidated financial statements of the Company as at and for the year ended 31 March 2013 comprise the Company and its subsidiaries (together referred to as the "Group"). These annual consolidated financial statements (including the Notes thereto) of the Group were approved by the Board of Directors on July 19, 2013.

The Group is primarily involved in seeking out mining opportunities around the world as an active investor and project developer.

2. *Going Concern*

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 Company 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.

These consolidated financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. In assessing whether or not there are material uncertainties that may lend doubt as to the ability of the Company to continue as a going concern, management takes into account all available information about the future, which is at least, but is not limited to, eighteen months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, as described in the following paragraph. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

As at 31 March 2013, the Group reported a net loss for the year of $9.1 million, an accumulated deficit of $45.7 million, and has liabilities of $166,000. Although it has a cash balance of $1.882 million, has not generated cash flow from operations. As a result, the Group will need to raise additional financing within the next twelve to eighteen months in order to meet its liabilities as they come due.

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.

The Company 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, successful development and, as noted above, the ability to secure adequate financing to meet the minimum capital required to successfully develop the Company's projects and continue as a going concern. There is no assurance that these initiatives will be successful and, as a result, there is significant doubt regarding the ultimate applicability of the going concern assumption.

3. *Basis of preparation*

(a) *Statement of compliance*

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are further disclosed within this note.

These consolidated financial statements were approved by the Board of Directors for issue on July 19, 2013.

(b) Basis of measurement

The annual consolidated financial statements have been prepared on a historical cost basis except for available-for-sale financial assets which would be measured at fair value.

(c) Functional and presentation currency

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"; the Group, as a consolidated entity, does not have a functional currency). Similarly, each entity reports its results in a specified currency (the "reporting currency"). The functional and reporting currencies for the individual entities (which are not separately reported in these Group statements) and for the Group are set out in the table below:

Entity	March 31, 2013		March 31, 2012	
	Functional	Presentation	Functional	Presentation
Group	-	USD	-	USD
Subsidiaries:				
URU Metals Limited ("URU")	CAD	CAD	USD	USD
Niger Uranium Societe Anonyme ("NUSA")	CFA	CFA	CFA	CFA

URU Metals Limited's functional currency was changed to CAD effective 31 January 2013. This change was effected because the Company's function and strategic focus moved from South Africa to Canada as of that date.

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

In accordance with IAS21, The effects of Changes in Foreign Exchange Rates ("IAS 21"), company entities and operations whose functional currencies differ from the presentation currency are translated into US dollars as follows:

- 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 initial translated at closing exchange rates and subsequent balances are translated at historical rates; and
- Translation gains and losses are recognized in consolidated other comprehensive income (loss), and are reported as such in accumulated other comprehensive income (loss).

(d) Use of estimates and judgements

The preparation of the annual consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 will by definition, rarely equal the related actual results.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant risk and effect on the carrying amounts recognised in the consolidated financial statements are included in the following notes:

Note 3c Functional currency
Note 9 Intangible assets
Note 15 Measurement of share options

(e) *Change in accounting policies*

Overview
The Company's listing on the London Stock Exchange's Alternative Investment Market dictates the use of IFRS when adopted for use in the European Union. The Group has adopted the accounting policies detailed below which became effective as indicated:

Amendments to IFRS 7 Financial Instruments: Disclosures
The amendments to IFRS 7 were adopted by the Group for the first time for its financial reporting period ended 31 March 2013.

In terms of the amendments additional disclosure is required provided regarding transfers of financial assets that are:

- not derecognised in their entirety and
- derecognised in their entirety but for which the Group retains continuing involvement.

The adoption of IFRS 7 has had no effect on the Company's financial statements.

Amendment to IAS 1 Presentation of Financial Statements

The amendment to IAS 1 was adopted by the Group for the first time for its financial reporting period ended 31 March 2013.

The Group is presenting those items of other comprehensive income that may be reclassified to profit or loss in the future separately from those that would never be reclassified to profit or loss. The related tax effects for the two sub-categories will be shown separately.

This is a change in presentation and has had no impact on the recognition or measurement of items in the financial statements.

4. *Significant accounting policies*

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

(a)Basis of consolidation

Subsidiaries
Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss.

Jointly controlled asset

A jointly controlled asset is a joint venture carried on by each venturer using its own assets in pursuit of the joint venture. The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint venture and the expenses that the Group incurs and its share of the income that it earns from the joint venture.

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.

(b)Foreign currency transactions

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 profit or loss.

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

(c)Plant and equipment

Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset.

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 profit or loss.

Subsequent costs
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.

Depreciation
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 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.

The estimated useful lives for the current and comparative periods are as follows:

- exploration plant and equipment 3 years
- motor vehicles 3 years
- computer equipment 5 years
- furniture and office equipment 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(d)Exploration costs

Exploration and evaluation costs are capitalized as exploration properties on a project-by-project basis, pending determination of the technical feasibility and the commercial viability of the project. Capitalized costs include costs directly related to the exploration and evaluation activities in the property's area of interest.

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 license are recognized in the consolidate statement of comprehensive income (loss).

Once technical feasibility and commercial viability have been established, exploration properties attributable to those projects are reclassified from exploration properties to development properties. Exploration and evaluation assets shall be assessed for impairment and any impairment losses will be recognized before such reclassification.

All evaluation expenditure is capitalized until the project is reclassified as a development property, at which time it is amortised over the estimated life of the commercial ore reserves on a unit of production basis. 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 Company, are capitalised until the property to which they relate is placed into production, sold, allowed to lapse or abandoned.

Mineral property acquisition costs include the cash consideration and the fair market value of shares to be issued in future mineral reserves interests, pursuant to the terms of the relevant agreements.

(e)Intangible assets

Intangible assets that are acquired by the Group are measured at cost less accumulated amortisation and impairment losses.

Intangible assets are reviewed for impairment as disclosed in note 4(g).

Subsequent costs
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation
Amortisation is based on the cost of an asset less its residual value.

Amortisation is recognised in profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f)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

Financial assets are classified into one of four categories as summarised in the table below, and which are further discussed in the subsequent text:

Category	Derivative status	Initial measurement	Subsequent to initial recognition, held at:	URU's assets in that category
Loans and receivables	Non-derivative	Fair value	Amortised cost using the effective interest method	Receivables Cash and cash equivalents
Fair value through profit and loss	Non-derivative	Fair value	Fair value	nil
	Derivative	Fair value	Fair value	nil
Held-to-maturity	Non-derivative	Fair value	Amortised cost using the effective interest method	nil
Available-for-sale	Non-derivative	Fair value	Fair value	nil

Neither the Group's investment in joint ventures, nor its intangible assets, is considered to be a financial asset as defined in the relevant accounting standard.

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

Loans and receivables

Loans and receivables are non-derivative financial assets that have fixed or determinable payments and that are not quoted in an active market. Loans and receivables are initially recognized at the fair value and subsequently carried at amortized cost less impairment losses. If collection of other receivables is expected in one year or less, they are classified as current assets. If not, they are classified as non-current assets.

Financial assets 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.

Changes in fair values of financial assets through profit or loss 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.

Held to Maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity. They are initially recognized at the fair value and subsequently carried at amortized cost less impairment losses. If they mature in one year or less, they are classified as current assets. If not, they are classified as non-current assets.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the other categories. The Group's investments in equity securities would be classified as available-for-sale financial assets. Subsequent to initial recognition, they would be measured at fair value and changes therein, other than impairment losses (see note 4(g)(i)) and foreign currency differences on available-for sale equity instruments (see note 4(b)(i)), are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is reclassified to profit or loss.

For available-for-sale financial assets that are not monetary items, the gain or loss that is recognized in other comprehensive income excludes any foreign exchange related component. The fair values of quoted investments are based on current bid prices. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

(ii)Derecognition of financial assets

A financial asset is derecognized when the contractual right to the asset's cash flows expire or if the Company 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 recognized as a separate asset or liability.

(iii)Financial Liabilities

The Group initially recognizes 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. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

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

(iv)Offset

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The Group has the following non-derivative financial assets: receivables.

(g) 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.

The Group considers evidence of impairment for financial assets measured at amortised cost at both a specific assets and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of the loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

The criteria used to determine if there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.
- historical trends of the probability of default,
- the timing of recoveries and the amount of the loss incurred.

The foregoing is adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

If in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through consolidated statement of comprehensive loss. On the date of the impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had the impairment not been recognized.

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 consolidated statement of loss.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity, to profit or loss. The cumulative loss that is reclassified from equity to profit and loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit and loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(i) 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 costs to sell. 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.

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 the statement of comprehensive income.

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.

(h) Leased assets and lease payments

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Other leases are considered to be operating leases and the leased assets are not recognised in the Group's Statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(i) Income tax

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

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) Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in consolidated statement of loss.

(k) 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 outstanding 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.

(l) Segment 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 CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(m) 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.

(n) Standards, amendments and interpretations, which are not yet effective for reporting periods beginning after the date of these financial statements which have not been adopted early:

There are new or revised Accounting Standards and Interpretations in issue that are not yet effective. These include the following Standards and Interpretations that are applicable to the business of the entity and may have an impact on future financial statements:

	Standard or Interpretation	*Effective date for annual periods beginning on or after*	*First year-end of adoption*
IFRS 10	Consolidated Financial Statements	1 January 2014	31 March 2014
IFRS 11	Joint Arrangements	1 January 2014	31 March 2014
IFRS 12	Disclosure of Interests in Other Entities	1 January 2014	31 March 2014
IFRS 13	Fair Value Measurement	1 January 2013	31 March 2013
IAS 27	Separate Financial Statements (2011)	1 January 2014	31 March 2014
IAS 28	Investments in Associates and Joint Ventures (2011)	1 January 2014	31 March 2014
IFRS 7 amendment	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013	31 March 2013
IAS 32 amendments	Offsetting Financial Assets and Financial Liabilities	1 January 2014	31 March 2014
IFRS 9	Financial Instruments	1 January 2015	31 March 2015

All Standards and Interpretations will be adopted at their effective date (except for those Standards and Interpretations that are not applicable to the entity). There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

IFRS 10, Consolidated Financial Statements
IFRS 10 was issued in May 2011 and replaces the guidance on control and consolidation in IAS 27, Consolidated and Separate Financial Statements and SIC-12, Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control under IFRS so that the same criteria are applied to all entities to determine control. IAS 27 is renamed "Separate Financial Statements" and deals solely with separate financial statements, the guidance for which remains unchanged.

The impact on the financial statements for the Group has not been estimated as at 31 March 2013.

IFRS 11, Joint Arrangements
IFRS 11 was issued in May 2011 and replaces IAS 31, Interests in Joint Ventures. IFRS 11 reduces the types of joint arrangements to two: joint ventures and joint operations. IFRS 11 requires the use of equity accounting for interests in joint ventures, eliminating the existing policy choice of proportionate consolidation for jointly controlled entities under IAS 31. Entities that participate in joint operations will follow accounting similar to that for jointly controlled assets and jointly controlled operations under IAS 31.

The impact on the financial statements for the Group has not been estimated as at 31 March 2013.

IFRS 12, Disclosure of Interests in Other Entities
IFRS 12 was issued in May 2011 and sets out the disclosure requirements for entities reporting under IFRS 10 and IFRS 11. It replaces the disclosure requirements currently found in IAS 28, Investments in Associates.

The impact on the financial statements for the Group has not been estimated as at 31 March 2013.

IFRS 13, Fair Value Measurement
IFRS 13 was issued in May 2011 and provides a single source of guidance on how to measure fair value where its use is already required or permitted by other IFRS and enhances disclosure requirements for information about fair value measurements.

The impact on the financial statements for the Group has not been estimated as at 31 March 2013.

IAS 27 (2011) Separate Financial Statements
IAS 27 (2011) supersedes IAS 27 (2008). IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications.

The impact on the financial statements for the Group has not been estimated as at 31 March 2013.

IAS 28 (2011) Investments in Associates and Joint Ventures
IAS 28 (2011) supersedes IAS 28 (2008) and carries forward the existing accounting and disclosure requirements with limited amendments. These include:

IFRS 5 is applicable to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held-for-sale; and

On cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture or vice versa, the Company does not re-measure the retained interest.

The impact on the financial statements for the Group has not been estimated as at 31 March 2013.

Amendments to IFRS 7 Financial Instruments: Disclosures: Offsetting Financial Assets and Financial Liabilities
The amendments to IFRS 7 contain new disclosure requirements for financial assets and financial liabilities that are offset in the statement of financial position; or are subject to enforceable master netting arrangements or similar agreements.

The impact on the financial statements for the Group has not been estimated as at 31 March 2013.

Amendments to IAS 32 Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities
The amendments clarify that an entity currently has a legally enforceable right to set-off if that right is:

- not contingent on a future event; and
- enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties

The impact on the financial statements for the Group has not been estimated as at 31 March 2012.

IFRS 9 (2009) Financial Instruments
IFRS 9 addresses the initial measurement and classification of financial assets and will replace the relevant sections of IAS 39. It will be applied retrospectively, subject to transitional provisions.

Under IFRS 9 there are two options in respect of classification of financial assets, namely, financial assets measured at amortised cost or at fair value. Financial assets are measured at amortised cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value. Embedded derivatives are no longer separated from hybrid contracts that have a financial asset host.

The impact on the financial statements for the Group has not been estimated as at 31 March 2013.

IFRS 9 (2010) Financial Instruments
IFRS 9 (2010) addresses the measurement and classification of financial liabilities and will replace the relevant sections of IAS 39. It will be applied retrospectively, subject to transitional provisions.

Under IFRS 9 (2010), the classification and measurement requirements of financial liabilities are the same as per IAS 39, except for the following two aspects:

fair value changes for financial liabilities (other than financial guarantees and loan commitments) designated at fair value through profit or loss, that are attributable to the changes in the credit risk of the liability will be presented in other comprehensive income (OCI). The remaining amount of the fair value change is recognised in profit or loss.

However, if this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss.

The determination as to whether such presentation would create or enlarge an accounting mismatch is made on initial recognition and is not subsequently reassessed.

Under IFRS 9 (2010) derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, are measured at fair value.

IFRS 9 (2010) incorporates, the guidance in IAS 39 dealing with fair value measurement and accounting for derivatives embedded in a host contract that is not a financial asset, as well as the requirements of IFRIC 9 *Reassessment of Embedded Derivatives*.

The impact on the financial statements for the Group has not been estimated as at 31 March 2013.

5. *Determination of fair values*

A number of the Group's accounting policies and disclosures require the determination of fair value. Fair values have been determined for measurement and / or disclosure purposes based on the following method. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The actual disclosed values of the financial instruments all approximate the fair values of these instruments – refer note 25.

6. *Financial risk management*

The Group has exposure to the following risks from its use of financial instruments:

Credit risk
Liquidity risk
Market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework
The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Risk management is carried out by the CEO under policies approved by the Board of Directors and reports regularly to the Board of Directors.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Group's activities.

The CEO oversees and monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group does not have an Internal Audit department.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash deposits and other receivables.

Cash, Deposits and other receivables
The Group has no allowance for impairment that might represent an estimate of incurred losses on deposits, prepayments or other receivables.

The Group held cash and cash equivalents of USD 1,882 million on 31 March 2013 (2012 – USD 4,035 million) which represents the maximum credit exposure on these assets. At year-end, the majority of the cash and cash equivalents are held with Citibank N.A.

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.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 18 months, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Management monitors the rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows.

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 income 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.

The Group does not apply hedge accounting in order to manage volatility in statements of loss.

Currency risk
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 entities, primarily Pound Sterling (GBP), the Canadian Dollar (CAD), the Central African Franc (XOF), the South African Rand (ZAR), 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 investment in its Nigerien subsidiary is not hedged.

*Interest rate ris*k
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 swaps 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 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. 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.

Capital risk management
The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, share premium reserves, share option reserves, and accumulated deficit. The Board of Directors monitors the return on capital.

The Board has set a target for all employees and Directors of the Group to hold a maximum of 10 per cent of the Company's ordinary shares. At present current Directors and current employees hold 3.01per cent (2012 – 0.53per cent) of ordinary shares, or 3.91per cent (2012 - 9.82per cent) assuming that all outstanding options vest and are exercised.

Directors and employees are awarded share options in terms of the Share Option Plan, 2008 as disclosed in Note 15.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. At the year end the Group had no debt (2012: Nil). Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The Group does not have a defined share buy-back plan.

In order to maintain or adjust the capital structure, the Group may issue new shares to generate cash.

As the Group has no debt there is no return on capital calculation and thus the net debt to adjusted equity ratio is not provided.

There were no changes in the Group's approach to capital management during the year.

7. *Segment information*

The Group has three reportable segments, as described below, which are the Group's strategic business units. 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 licenses and exploring these license areas.
Investment	Includes making investments based on Group investment criteria
Corporate office	Includes all Group administration and procurement

There are no other operations that meet any of the quantitative thresholds for determining reportable segments in 2013 or 2012.

There are varying levels of integration between the Exploration, Investment and Corporate Office reportable segments. This integration includes shared administration and procurement services. The accounting policies of the reportable segments are the same as described in notes 3 and 4.

Information regarding the results of each reportable segment is included below. Performance is measured based on segmented results as compared to budgets. Any inter-segment transactions would be determined on an arm's length basis. Inter-segment pricing for 2013 and 2012 consisted of funding advanced from Corporate Office to Exploration.

USD '000 **Operating Segments**

	Exploration		**Corporate Office**		**Total**	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
Depreciation	11	20	39	51	50	71
Reportable segment loss before tax	**(304)**	**(1,017)**	**(8,775)**	**(1,374)**	**(9,079)**	**(2,391)**
Material non-cash items in segment loss before tax:						
Share-based payments expense	-	-	220	132	220	132
Share-based payments reversal on cancellation	-	-	-	(21)	-	(21)
Impairment of jointly controlled assets	-	-	2,409	-	2,409	-
Impairment of intangibles	-	-	4,613	-	4,613	-
Reportable segment assets	**14**	**4,759**	**3,442**	**7,847**	**3,456**	**12,606**
Capital expenditure	(1)	(2)	(2)	(3)	(3)	(5)
Reportable segment liabilities	**(37)**	**(186)**	**(129)**	**(136)**	**(166)**	**(322)**

Geographical segments

31 March 2013

For the year ended 31 March 2013, exploration activities took place in both South Africa and Niger. During the year, the accounting and administration activities were transferred to new headquarters in Toronto, and accordingly the South African administration office was closed.

In presenting information based on the geographical segments, segment assets are based on the geographical location of the assets.

USD '000	**31 March2013**		**31 March2012**	
	Revenues	**Non-current assets**	**Revenues**	**Non-current assets**
31 March 2012				
Niger	-	14	-	4,759
South Africa	-	3,443	-	3,718
	-	**3,456**	**-**	**8,477**

8. *Plant and equipment*

USD '000

	Cost	**Accumulated depreciation**	**Carrying amount**
31 March 2013			
Exploration plant and equipment	158	(155)	3
Motor vehicles	143	(143)	-
Computer equipment	35	(30)	5
Furniture and equipment	51	(47)	4
	387	**(375)**	**12**
31 March 2012			
Exploration plant and equipment	162	(155)	7

Reconciliation of carrying amounts

USD '000	Exploration plant and equipment	Motor vehicles	Computer equipment	Furniture and office equipment	Total
31 March 2013					
Balance at 1 April 2012	7	-	45	17	69
Additions	-	-	1	2	3
Disposals	-	-	(8)	(2)	(10)
Depreciation	(4)	-	(33)	(12)	(49)
Foreign exchange differences	-	-		(1)	(1)
Balance at 31 March 2013	3	-	5	4	12
31 March 2012					
Balance at 1 April 2011	15	2	83	36	136
Additions	-	-	3	2	5
Depreciation	(8)	(2)	(40)	(21)	(71)
Foreign exchange differences	-	-	(1)	-	(1)
Balance at 31 March 2012	7	-	45	17	69

None of the plant and equipment is pledged to any third party, nor are there any restrictions as to title. At the reporting date there are no capital commitments.

9. *Intangible assets*

Exploration licences

USD '000	Cost	Effect of change in functional currency	Accumulated amortisation and impairments	Carrying amount
31 March 2013	4,825	(27)	(4,798)	-
31 March 2012	4,825	-	(120)	4,705

All of the Niger exploration licences were acquired from NWT Uranium Corporation ("NWT") and UraMin Inc. as part of the asset purchase agreement when URU Metals Limited was formed.

The Kamas 1, Kamas 2, Kamas 3, Kamas 4, Dabala 3 and Dabala 4 licences were initially registered in the name of UraMin, and carried at an acquisition cost of USD 120,000. These licences were impaired in full prior to fiscal 2012.

The Irhazer and Ingall licences were initially registered in the name of NWT, and are carried at a total acquisition cost of USD nil (2012: USD 4.705 million.)

The Group considers that it has fully complied with its commitments under the terms of the licences that it currently holds. The Group has been granted the extension for the Irhazer and Ingall licenses. However, as a result of the delay in the granting of the extension and the deepening global economic crisis, management has decided not to continue work in Niger, and has impaired the cost for those licenses in full.

10. *Investment in jointly controlled asset*

USD '000	**31 March2013**		**31 March2012**	
	Non-current asset	Ownership	Non-current asset	Ownership
Investment in Nickel Joint Venture	1,527	50%	3,703	45%
Reconciliation of the movement in the Nickel Joint Venture				
Balance at 1 April	3,703		1,775	
Increase in investment	233		1,928	
Foreign exchange	(64)		-	
Provision	(2,345)		-	
Balance at 31 March	1,527		3,703	

On 5 October 2010, the Group announced that it had entered into a joint venture (the "Nickel Joint Venture") with Southern African Nickel ("SAN"), the joint owner and current developer of a portfolio of large nickel projects in Southern Africa. Under the agreement, the Group committed to provide funding to the Joint Venture of, in aggregate, up to USD 3.6 million over a period of 20 months from 5 October 2010.

Capital commitments of the jointly controlled asset

USD '000	**31 March2013**		**31 March2012**	
	Total	URU Share	Total	URU Share
URU Metals incurred	500	250	450	206

On 6 April 2011 the Group announced the satisfactory and successful conclusion of all due diligence activities between SAN and Umnex, in relation to the acquisition of the Zebediela Nickel Project close to the mining town of Mokopane in the Limpopo province of South Africa. The Zebediela project is an addition to the portfolio of nickel assets held by the SAN-URU Metals exploration Joint Venture. The acquisition involved no additional cash consideration to be made by either the Group or SAN and did not increase the Group's original committed contribution to the Nickel Joint Venture of USD 3.6 million, which during the year was spent.

In fiscal 2012, URU Metals satisfied all its obligations under the Nickel Joint Venture Agreement and has now a fully vested a 50per cent interest in the Nickel Joint Venture. However, as announced on 6 April 2011, the Joint Venture is seeking to continue the development of the Zebediela Nickel Project. Umnex, the vendor of the Zebediela Nickel Project, will receive a direct interest in the Joint Venture from both Southern African Nickel and URU Metals. Following that direct investment – and the arbitration (see below) rules in SAN's favour - the effective interest of each party in the Joint Venture will be: URU Metals 45per cent, SAN 40per cent, and Umnex 15per cent.

In fiscal 2013, a dispute arose between SAN and Umnex. Both parties alleged that the other party has failed in its obligations under their agreement. Primarily, Umnex has alleged that SAN has failed in its obligation to achieve a public listing for the joint venture project by July 6, 2012, and thus Umnex can leave the joint venture with ownership of the mineral rights in exchange for payment of historical exploration costs, whereas SAN alleges that Umnex has not facilitated the required transfer of the mineral license into the correct corporate vehicle first, which was necessary to allow the public listing to proceed. URU's interest in the Zebediela project was negotiated through an agreement with SAN exclusively, and URU has fulfilled all of its obligations under that separate agreement. URU has been in active discussions between Umnex and SAN to facilitate a resolution to the dispute. Unfortunately, discussion through to the end of calendar 2012 failed to resolve the dispute between Umnex and Southern African Nickel, such that those two partners entered into a formal arbitration process, that will commence with hearings in the second half of calendar 2013. URU is anticipating resolution of the dispute between these two partners by the end of calendar 2013.

11. Receivables

USD '000	31 March 2013	31 March 2012
Deposits	25	28
Other prepayments	9	30
Other receivables	1	36
	35	94

12. Cash and cash equivalents

USD '000	31 March 2013	31 March 2012
Petty Cash	1	2
Cash in Bank	1,881	4033
	1,882	4035

13. Share capital and premium

Ordinary shares

	Number of shares	Share capital USD '000	Share premium USD '000	Total USD '000
Authorised share capital:				
300,000,000 shares of USD 0.01 each	300,000,000	3,000	-	3,000
Issued share capital:				
113,276,722 shares of USD 0.01 each	113,276,722	1,133	45,724	46,857

Reconciliation of the movements in share capital and share premium – 31 March 2013

	Number of shares	Share capital USD '000	Share premium USD '000	Total USD '000
Issued share capital:				
Balance at 31 March 2011	113,210,056	1,132	45,720	46,852
Issue of shares	66,666	1	4	5
Balance at 31 March 2012	113,276,722	1,133	45,724	46,857
Issue of shares	-	-	-	-
Balance at 31 March 2013	113,276,722	1,133	45,724	46,857

Issued shares
All issued shares are fully paid up.

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

Dividends
Dividends declared and paid by the Group were $nil (2012 - $nil)

14. Reserves

USD 000	Note	31 March 2013	31 March 2012
Share option reserve		2,380	3,737
Foreign currency translation reserve	16	(259)	(125)
		2,121	3,612

The Share Option Reserve comprises the accumulation of values assigned to option grants from inception of the Share Option Plan (Note 15 a), net of cancellations, redemptions, and expiries transferred to retained earnings.

15. *Share Option Reserve*

(a) *Share Options*

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 2013.

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.

i) *Terms and Conditions*

All options are to be settled by physical delivery of shares, against payment to the Group of the option price:

Employees entitled	**Grant Date**	**Number of options originally granted**	**Vesting conditions**	**Contractual life of options**
Directors, Key management and Employees	16 October 2008	3,607,000	One third immediately, one third after one year, final third after two years	10 years
Directors, Key management and Employees	9 October 2009	2,610,000		10 years
Directors, Key management and Employees	21 October 2010	7,950,000		10 years
Directors, Key management and Employees	21 February 2012	1,850,000		10 years
Directors	27 February 2013	3,250,000	Immediate	3 years
		19,267,000		

(ii) *Continuity and Exercise Price*

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

	31 March 2013		31 March 2012	
	Number of options	Weighted average exercise price (GBP)	Number of options	Weighted average exercise price (GBP)
Outstanding at 1 April	10,735,734	0.16	10,552,400	0.16
Granted during the year	3,250,000	0.03	1,850,000	0.07
Exercised during the year	-	-	(66,666)	0.05
Cancelled during the year	-	-	(1,500,000)	0.05
Expired in the year	(2,502,400)	0.50	-	-
Outstanding at 31 March	11,483,334	0.15	10,735,734	0.16

The options outstanding have the following terms:

	31 Mar 2013	31 Mar 2012
Exercise price ranges	3.38p and 7.00p	4.88p and 50.00p
Weighted average contractual life (years)	3.79	6.27

During the year, as part of various severance packages, a total of 5,100,001 options (2012: nil) had their expiry dates accelerated to end two years after the employees' termination.

(iii) *Reconciliation of share options outstanding*

31 March 2013				Options exercisable	
Exercise prices (GBP)	Number outstanding	Weighted average remaining life (years)	Weighted average price (GBP)	Number exercisable	Weighted average exercise price (GBP)
0.04880	3,000,000	0.97	0.04880	3,000,000	0.04880
0.04880	750,000	1.78	0.04880	750,000	0.04880
0.04880	2,633,334	7.56	0.04880	2,633,333	0.04880
0.07000	1,000,000	0.97	0.07000	1,000,000	0.07000
0.07000	350,000	1.78	0.07000	350,000	0.07000
0.07000	500,000	8.90	0.07000	216,668	0.07000
0.03375	3,250,000	2.91	0.03375	3,250,000	0.03375
	11,483,334	3.45	0.04796	11,200,001	0.04739

31 March 2012				Options exercisable	
Exercise prices (GBP)	Number outstanding	Weighted average remaining life (years)	Weighted average price (GBP)	Number exercisable	Weighted average exercise price (GBP)
0.04880	6,383,334	8.56	0.04880	4,233,340	0.04880
0.07000	1,850,000	9.92	0.07000	616,668	0.07000
0.50000	2,502,400	0.45	0.50000	2,502,400	0.50000
	10,735,734	6.90	0.15000	7,352,408	0.30000

iv) *Grants in the year – Inputs to Fair Values*

The fair value of services received in return for share options granted is based on the fair value of share options granted, based on the closing share price at the close of business on the previous day, using the following inputs:

	31 March 2013	31 March 2012
Fair value at grant date (GBP)	0.0136	0.0700
Share price (GBP)	0.0338	0.0700
Exercise price (GBP)	0.0338	0.0700
Expected volatility	60.26%	54.9%
Option life	3.00	9.84
Expected dividends	0.0%	0.0%
Risk free interest rate	0.36%	3.16%

Expected volatility is estimated by considering historic average share price volatility.

(v) Fair values

Share options expensed

USD '000	Note	31 March 2013	31 March 2012
Share options granted – current year		220	132
Share option cancellation		-	(21)
Total expense recognised in employee costs		220	111
The share options expense was as follows:			
Directors	18	165	66
Employees	18	55	66
		220	132
Aggregate un-expensed fair value of options granted		18	243

(b) Warrant options

The following is a summary of the Group's warrant options granted under its Share Incentive Scheme. As at 31 March 2013, the following warrant options, issued in respect of capital raising, had been granted but not exercised.

Name	Date Granted	Date Vested	Number of warrants	Exercise Price (GBP)	Expiry Date	Fair Value at Grant Date (GBP)
Beaumont Cornish	9 Oct 2009	9 Oct 2009	100,000	0.345	9 Oct 2019	0.345

There were no movement in Warrant Options in either year.

16. *Foreign currency translation reserve*

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial results of foreign operations.

USD '000	31 March 2013	31 March 2012
Opening balance	(125)	(124)
Movement for the year	(134)	(1)
Closing balance	(259)	(125)

17. *Trade and other payables*

USD '000	31 March 2013	31 March 2012
Other payables	5	22
Unclaimed dividends	18	17
Accruals	143	283
	166	322

18. *Loss before income tax*

The following items have been charged in arriving at the operating loss for the year:

USD '000	31 March 2013	31 March 2012
Auditors remuneration	85	78
Directors fees	161	47
Legal fees	90	26
Operating lease payments	69	100
Depreciation	49	71
Foreign exchange loss/(gain)	(29)	51
Staff remuneration:		
Share options expensed – Directors (equity settled)	165	66
Share options expensed – staff (equity settled)	55	66
Share options reversal – Directors	-	(21)
Staff cost – salaries	652	623

19. *Income tax expense and deferred taxation*

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

Effective 13 July 2012, the Company became resident in Canada, and is subject to income taxes at a combined federal and provincial statutory tax rate of 26.5per cent.

No deferred tax asset has been recognised because there is insufficient evidence of the timing of suitable future profits against which it can be recovered. No deferred tax liability has been recognised as a result of the losses in the periods to date.

A reconciliation between tax expense and the product of accounting net loss, multiplied by the Company's tax rate for the years ended March 31, 2013 and 31 March 2012 is as follows:

USD '000	31 March 2013	31 March 2012
Net loss before tax	(9,080)	(2,391)
Tax at statutory rate of 26.5%	(2,406)	-
Foreign tax rate differences	452	-
Non-deductible/ non-taxable items	31	-
Benefit of losses not recognized	1,923	-
Tax expense	-	-

The Group has accumulated tax losses in Canada of CAD 6,634 expiring in 2033.

Given the closure of the Niger operations subsequent to year-end (Note 25), the Group has not recognized deferred tax losses in respect of capitalized expenses in Niger.

20. Basic and diluted loss per share

	31 March 2013	31 March 2012
The basic loss per share is calculated using:		
Loss for the year (USD '000)	(9,080)	2,391
Weighted average number of ordinary shares in issue	113,276,722	113,217,160
Basic loss per share (US cents)	8.02	2.11
Reconciliation of the weighted average number of ordinary shares in issue:		
Number of ordinary shares in issue at beginning of the year	113,276,722	113,210,056
Exercise of options – 28 February 2012	-	7,104
	113,276,722	113,217,160
The diluted loss per share is calculated using:		
Loss for the year (USD '000)	(9,080)	(2,391)
Weighted average number of ordinary shares in issue	113,276,722	113,217,160
Effect of share options on issue	-	-
Effect of warrant options on issue	-	-
Weighted average number of ordinary shares (diluted) at 31 March	113,276,722	113,217,160
Diluted loss per share (US cents)	8.02	2.11

At 31 March 2013, 11,483,333 share options (2102: 10,735,734) and 100,000 warrant options (2012: 100,000) were excluded from the diluted weighted average number of ordinary shares calculations as their effect would be anti-dilutive.

The average market value of the Group's shares for purposes of calculating the dilutive effect of share options would have been based on quoted market prices for the period during which the options were outstanding.

21. Contingent liabilities and commitments

Operating Lease Commitments

The future minimum lease payments under non-cancellable leases are:

USD '000	31 March 2013	31 March 2012
Less than 1 year	41	42
Later than 1 year but less than 5 years	-	68
	41	110

The operating lease commitments relate to one property lease in Sandton which commenced in December 2010.

The lease expires in November 2013, with an option to negotiate an extension. The initial lease payment amounted to USD 4,916 per month and escalates at 8per cent per annum. The Company also held an operating lease in Morningside which was terminated in fiscal 2012.

Nueltin Agreement

On 5 February, 2013, the Group signed an exclusive option agreement with Cameco Corporation ("Cameco") to earn a majority interest in Nueltin Lake Gold-Uranium Project ('the Project"), in the Kivalliq Region of the Territory of Nunavut, Canada.

Under the terms of the option agreement, URU Metals will fund a total of CAD 2.5 million on exploration expenditures over a three-year period in return for a 51 per cent stake in the Project ("the First Option"). The Group is committed to spend a minimum of CAD 550,000 by 31 December 2013, at which point the Group has the ability to decide whether to satisfy the remaining exploration requirement to satisfy the First Option in full.

On completion of the First Option, URU has the option to earn an additional 19 per cent interest in the project by funding a further CAD 8.0 million in exploration over a four-year period ("the Second Option").

On successful completion of both options, the Company would have earned a 70 per cent interest in the Project by completing CAD 10.5 million in exploration expenditures over a seven-year period. URU will be the project operator over the option earn-in period.

After URU completes its earn-in requirement under the Option Agreement, the parties will enter into a standard joint venture agreement, the form of which has already been agreed to and appended to the Option Agreement.

22. Notes to the statement of cash flows

Cash utilised by operating activities

USD '000	31 March 2013	31 March 2012
Loss before income tax	(9,080)	(2,391)
Adjusted for:		
Depreciation	49	71
Share-based payments expense	220	132
Share-based payments reversal on cancellation		(21)
Loss on disposal of plant and equipment	10	-
Impairment of intangible assets	4,613	-
Impairment of jointly-held asset	2,409	
Foreign currency translation differences resulting from change in functional currency	(71)	-
Unrealised foreign exchange loss/(gain)	33	21
	(1,817)	(2,188)
Movements in working capital:		
Decrease in receivables	59	80
(Decrease) Increase in trade and other payables	(155)	128
Cash flows utilised by operating activities	(1,913)	(1,980)

23. Financial Instruments

(a) Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

USD '000	Note	Carrying amount 31 March 2013	Carrying amount 31 March 2012
Cash and Cash Equivalents	12	1,882	4,035
Deposits and Other Receivables	11	35	81

(b) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

USD '000	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years
31 March 2013						
Non-derivative financial liabilities						
Trade and other payables	166	166	166	-	-	-
31 March 2012						
Non-derivative financial liabilities						
Trade and other payables	322	322	322	-	-	-

(c) Market risk

As the Group has disposed of all its available-for-sale assets the exposure to market risk is limited to currency risk described herein.

i) Exposure to currency risk

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

USD '000's	US Dollars	British Pounds Sterling	South African Rand	Franc CFA	Canadian Dollars	Total
31 March 2013						
Deposits, Prepaids, and Receivables	13	-	18	4	-	35
Trade and other payables	(10)	(38)	(26)	(38)	(54)	(166)
Net exposure	3	(38)	(8)	(34)	(54)	(131)
31 March 2012						
Deposits, Prepaids, and Receivables	18	22	52	19	-	111
Trade and other payables	(4)	(78)	(18)	(187)	(52)	(339)
Net exposure	14	(56)	34	(168)	(52)	(228)

The following significant exchange rates applied during the period:

	31 March 2013		31 March 2012	
USD	Average rate	Reporting date	Average rate	Reporting date
British Pounds Sterling	0.6313	0.6600	0.6264	0.6254
South African Rand	8.401	8.421	7.3774	7.6805
Franc CFA	510.27	505.66	486.00	502.89
Canadian Dollar	0.9919	0.9840	0.9930	0.9972

(ii) Sensitivity analysis

A 10per cent strengthening of the US Dollar against the following currencies at 31 March 2013 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 10per cent greater exchange rate to the US Dollar. This analysis assumes that all other variables, in particular interest rates, remain constant.

Effect in USD '000	31 March 2013		31 March 2012	
	Equity	Profit or loss	Equity	Profit or loss
British Pounds Sterling	-	(120)	-	(6)
South African Rand	-	(1)	-	3
Franc CFA	-	(3)	-	(17)
Canadian Dollar	-	(5)	-	(5)

A 10per cent weakening of the US Dollar against the above currencies at 31 March 2013 and 31 March 2012 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(*iii*) Fair values

Fair values versus carrying amounts

The fair values of financial assets and financial liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

USD '000	31 March 2013 Carrying amount	Fair value	31 March 2012 Carrying amount	Fair value
Assets and liabilities carried at amortised cost				
Receivables	35	35	64	64
Cash and cash equivalents	1,882	1,882	4,035	4,035
Trade and other payables	(166)	(166)	(322)	(322)
	1,751	1,751	3,777	3,777

The carrying amounts of receivables, cash and cash equivalents and trade and other payables approximate fair value due to the short maturities of these instruments.

24. Subsidiaries

The Group financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policies described in Note 3:

		Country of incorporation	31 March 2013 %	31 March 2012 %
Niger Uranium Societe Anonyme ("NUSA")		Niger	100	100
8373825 Canada Inc		Canada	100	-
URU (Management) Limited	*	British Virgin Islands	100	100
URU (Africa) Limited	*	British Virgin Islands	100	100
Namaqua Uranium (Proprietary) Limited	*	Namibia	100	100
URU Metals (Zambia) Ltd	*	Zambia	100	100

*- dormant

During the year, the Company advanced USD 440,000 (2012: USD 858,000) to NUSA to fund the latter's activities. No other advances were made by the Company to any of its subsidiaries in either 2013 or 2012. No advances were made between any of the Company's subsidiaries in in either 2013 or 2012.

25. Events after the reporting date

(a) Sale of UrAmerica

On 4 April, 2013, the Company elected to sell its entire holdings (4,421,000 shares) in UrAmerica, an Argentina-based private uranium exploration company for GBP 200,000.

(b) Decision to close the Niger Operations

For several months, the Company has been soliciting proposals with potential partners with an interest in partnering with the Company, or an outright sale of the Company's Niger assets. Despite discussing the Niger assets with several parties, Management has been unble to find a party to partner with the Company.

While the Company believes that the Niger projects are quality assets, the Company currently does not have the financial resources available to conduct exploration activities as warranted at all of the Company's global portfolio of exploration projects. While the Niger projects are prospective, they are not considered to be in the Company's top three exploration projects at this time.

At the 2 April 2013 URU Board Meeting, the Board passed a resolution to close the Niger operations as soon as it is practical to do so.

(c) Purchase of Svenska Skifferoljeaktiebolaget ("SSOAB")

On 23 May, 2013, the Company announced that it had acquired all the outstanding ordinary shares of a Swedish company, Svenska Skifferoljeaktiebolaget ("SSOAB") from a private company Global Hydrocarbons Limited. SSOAB holds title to six exploration licenses in Sweden, located in Örebro County, approximately 150 km west-south-west of Stockholm.

URU has agreed to pay the vendors USD300,000 and issue 17 million ordinary shares as consideration for the purchase of SSOAB. A deferred payment of USD 200,000 will be paid by URU to the vendors upon the completion of the first exploration drill program on the property in the future.

26. Related party disclosure

Transactions with key management personnel

During the period to 31 March 2013, 3,250,000 (2012: 1,850,000) share options were issued to Directors and employees of the Company. The options were granted under recommendation of the Remuneration Committee and were granted at an exercise price of GBP 0.03 each (2012: GBP 0.07 each). In 2012, as part of the settlement with the former finance Director's estate, 1,500,000 share options were cancelled.

Transactions carried out with Directors:

(i) Share options outstanding and exercised:

Under IFRS 2 Share-based payments, the Company determines the fair value of options issued to Directors and employees as remuneration and recognises the amount as an expense in profit or loss with a corresponding increase in equity. The Remuneration Committee is responsible for the granting of options at its discretion.

Details of share options outstanding and exercised by Directors, and past Directors, are as follows:

	Balance at 31 March 2012	**Granted during the period**	**Forfeited, cancelled or expired during the period**	**Balance at 31 March 2013**	**Allocated price of options on hand at 31 March 2013 (GBP)**	**First exercise date**	**Expiry Date**
Executive Directors:							
R. Lemaitre		1,250,000	-	1,250,000	0.03375	27 Feb 13	27 Feb 16
R. Lemaitre (a)	500,000	-	-	500,000	0.07000	21 Feb 12	21 Feb 22
Non-Executive Directors:							
J. Vieira	-	1,000,000	-	1,000,000	0.03375	27 Feb 13	27 Feb 16
D. Subotic	-	1,000,000	-	1,000,000	0.03375	27 Feb 13	27 Feb 16
Former Key Management							
A. Esterhuizen	1,000,000	-	(1,000,000)		0.04880	21 Oct 10	21 Oct 20
R. Swarts	500,000	-	-	500,000	0.04880	21 Oct 10	21 Oct 20
R. Swarts	350,000	-	-	350,000	0.07000	21 Feb 12	21 Feb 22
Past Directors							
W. Beach	100,000	-	(100,000)	-	-	-	-
N. Herbert	435,000	-	(435,000)	-	-	-	-
M. Kreczmer	1,037,400	-	(1,037,400)	-	-	-	-
P. Loudon	1,500,000	-	-	1,500,000	0.04880	21 Oct 10	21 Oct 20
P. Loudon	500,000	-	-	500,000	0.07000	21 Feb 12	21 Feb 22
J. Lynch	1,500,000	-		1,500,000	0.04880	21 Oct 10	21 Oct 20

(a) Granted to Mr Lemaitre before he became a Director.

(ii) Directors' remuneration

	Fees for Service	Short term employee benefits	Share-based payment expense	Total
Executive Directors:				
R. Lemaitre	9	201	37	247
Non-Executive Directors, Current year				
J. Vieira	10	-	22	32
D. Subotic	18	-	22	40
P. Loudon (resigned, Sept 2012)	45	-	42	87
J. Lynch (resigned, Sept 2012)	79	-	42	121
Past Directors				
W. Beach		-	(63)	(63)
N. Herbert		-	(274)	(274)
M. Kreczmer		-	(654)	(654)
J. Mellon		-	(220)	(220)
I. Stalker		-	(303)	(303)
Total for the year ended 31 March 2013	161	201	(1,355)	(993)
Total for the year ended 31 March 2012	47	188	58	246

Corporate Directory

Registered number	1405944 - Registered in British Virgin Islands	
Directors	David Subotic Jay Vieira Roger Lemaitre	Chairman, Non-Executive Director Non-Executive Director Chief Executive Officer
Registered office	Intertrust P.O. Box 92 Road Town, Tortola British Virgin Islands VG 1110	
Business address	Suite 707, 85 Richmond Street Toronto, ON Canada	
Reporting Accountants	PricewaterhouseCoopers PwC Tower 18 York Street, Suite 2600 Toronto ON M5J 0B2	
Solicitors	Kerman & Co 200 Strand London WC2R 0ER United Kingdom	
Nominated Advisor and Brokers	WH Ireland Limited 11 St James' Square Manchester, England M2 6WH	
Registrars	Computershare Investor Services (Channel Islands) Ltd PO Box 83 Ordnance House, 31 Pier Road St Helier JE4 8PW Channel Islands	
Principal bankers	CitiBank N.A. 111 Wall Street New York United States of America	

NOTES: