URU Metals Limited

Annual Consolidated Financial Statements

for the year ended 31 March 2014

Contents

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 and nickel, 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, and the Republic of South Africa, 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 the US Dollar relative to the South African Rand, the Swedish Krona, the Canadian Dollar, and UK pounds sterling and other foreign currencies; changes in project parameters as plans continue to be refined; future prices of uranium and nickel; 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.

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 and nickel exploration and development company. URU will achieve its vision by identifying and developing its uranium mining opportunities as part of the global nuclear renaissance, and by developing its nickel properties to take advantage of ongoing global demand.

The Närke Oil-U Project	**The Nueltin Au-U Project**	**Southern African Nickel Ltd ("SAN Ltd")**
• URU has 100% ownership of 5 exploration licenses covering 7,074 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 U_3O_8 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% U_3O_8. • The one and only drilling programme 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% U_3O_8 /1.25 m. • URU has entered into an option agreement to earn a 51% interest in the project from Cameco Corporation in return for exclusively funding CDN$2.5 million in exploration expenditures by 31 December 2016.	• URU acquired in the year a 100% interest in SAN Ltd, which acquired after year-end a putative 100% interest (see Note 28a in relation to the transfer of the licenses) in the Zebediela licenses. SAN Ltd retained its 50% interest in the Burgersfort Project. • The transfer of licenses to SAN Ltd's acquired subsidiary is pending approval by the South African Department of Mineral Resources as set out in Note 28a. However, at the present time, the Company and its management do not foresee any issues with the licenses' eventual transfer. • Burgersfort and Zebediela are 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 NPV of over US$1 billion.
Niger Uranium Projects	**UrAmerica Investment**	
• URU decided to close its operations on Niger and to focus on other, more promising, projects.	• In the year, URU sold its interest in UrAmerica for GBP 200,000, and used the proceeds to fund its purchase of the Närke Project.	

The Past Year

Our Strategy

Since the Company's inception, URU has employed a 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 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:

1	**Advancing 100% owned projects** ***Medium to long-term returns***	*Närke Project, SAN Ltd*	URU Metals invests in exploration programmes to aimed at delineating a mineral resource estimate. The Company will then look to advance the project through feasibility studies and into production and cash flow generation.
2	**Joint Ventures** ***Near to medium-term returns***	*Nueltin Project*	URU Metals will undertake joint ventures with companies that it believes have the potential to add value through the advancement of projects over the near term.
3	**Strategic Investments** ***Near to medium-term returns***	*The former investment in UrAmerica*	URU Metals will make appropriate 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).

Business Review
Chairman's Statement

I am pleased to present URU Metals Limited's Annual Report for the year to 31 March 2014.

Fiscal 2014 saw a change in the composition of the Board and the Management of your Company. Mr Roger Lemaitre resigned in January 2014 to pursue other opportunities. I acted in an executive capacity through to mid-June 2014, when Mr John Zorbas was appointed as CEO, a non-Board position. Mr Zorbas is the CEO of NWT Uranium, URU's majority shareholder. He is a resource entrepreneur with a proven track record in the metals exploration and development industry, who will provide further expertise to the URU Metals team. I take this opportunity to thank Mr Lemaitre for his hard work for the Company, and wish him well in his future endeavours.

The Company maintains its core strategy to develop uranium and nickel 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 and nickel in the short to medium term.

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, resulting in a gain of USD 292,000. This investment had previously been written off in the consolidated financial statements.

Acquisition of the Närke project
In May 2013, the Company purchased the entire share capital of Svenska Skifferoljetbolaget ("SSOAB"), a Swedish company that holds 100% interest in six mineral exploration licenses located in Central Sweden, known as the Närke project. These licenses overlie the highly prospective Alum Shale, known to contain significant quantities of uranium, oil, and other metals.

Decision to close the Niger Operations
The assets and liabilities related to Niger Uranium Societe Anonyme ("NUSA") have been presented as discontinued operations following the approval of the Group's Board to close our operations there. The closure of the Niger operations was completed effective 30 September 2013, and has been treated as a Discontinued Operation in the financial statements. As NUSA was wound up, neither a gain nor a loss resulted from the closure.

Putative Acquisition of Zebediela Licenses
On 25 November 2013, the Company announced that it had acquired all the outstanding ordinary shares of SAN Ltd, a private company incorporated in the BVI, from two private companies.

The acquisition was the first of a two-part plan to gain control of SAN Ltd's interests in various mineral prospecting rights in South Africa. SAN Ltd had been party to two joint ventures in South Africa: a putative 74% interest in the Zebediela licenses (see Note 28a in relation to the transfer of the licenses), and, in a 50/50 ownership with URU, a 50% interest in the Burgersfort project (see Note 10 in both cases). The terms of the purchase agreement stipulated that URU's joint venture with SAN Ltd would be terminated upon purchase. As a result, URU now owns 100% of SAN Ltd, which in turn owns a putative 74% interest in the Zebediela licenses and a 50% interest in the Burgersfort project.

The second part of the plan was to acquire the remaining putative 26% interest in the Zebediela licenses. This was held by Umnex Mineral Holdings Pty ("UMH"), which had putative title to the Zebediela licenses through its subsidiary, Umnex Minerals Limpopo Pty ("UML") as set out in Note 28a. SAN Ltd and UMH had been in dispute since 2011, and arbitration had begun in August 2013. On 10 April 2014, SAN Ltd and UMH agreed that SAN Ltd would purchase 100% of UML from UMH for consideration of 33,194,181 in URU shares.

The dispute between SAN Ltd and the holders of the Zebediela licenses was terminated after year-end as part of the purchase agreement. This is a non-adjusting subsequent event as set out in Note 28a.

Post year-end financing
In May 2014, the Company issued shares for a value of GBP 815,000 at GBP 1.5 pence per share in a private placement to fund ongoing operations.

Nueltin Lake Project
In February 2013, the Company acquired an option to earn a 51% interest in the Nueltin Uranium-Gold project ("Nueltin") located in Nunavut, Canada, from the world's largest publicly-traded uranium producer, Cameco Corporation. As a result of the Company's efforts as noted above, the Company agreed with Cameco on 28 August 2014 to defer the Nueltin project by extending our option through to 31 December 2016.

The Närke, Nueltin, and Zebediela projects are at the early stage of exploration, but with reduced exploration risk, as mineralisation has already been discovered. The Company believes that with a modest investment, all projects can be progressed quickly to a preliminary economic assessment stage.

Year over year, URU Metals has raised capital and has upgraded its portfolio of exploration assets. We are well positioned to take advantage of the expected positive movements in the uranium, nickel, and also oil and gas markets.

David Subotic,
Non-Executive Chairman
29th September 2014

From the CEO

The 2014 fiscal year has been one of tremendous change and activity by your Company:

2013	*April*	Disposal of the Company's holding in UrAmerica;
	May	Acquisition of the Närke Uranium-Oil Project in Sweden;
	September	Closure of the Company's operations in Niger;
	November	Acquisition of its joint venture partner SAN Ltd, its 50% interest in the Burgersfort project, and its putative 74% interest (see Note 28a) in the Zebediela licenses, and terminating the associated SAN-URU joint venture in the process;
2014	*April*	Acquisition of SAN Ltd's former joint venture partner's putative 26% interest in the Zebediela licenses, and in the process extinguishing the arbitration between the two and terminating the joint venture;
	May	Issuing shares for a value of GBP 815,000 in a private share placement;
	August	Extending the Nueltin Lake option through to December 2016.

These projects represent a substantial upgrade to the Company's portfolio. Unlike many early stage exploration projects, the discovery risk attached to the Nueltin, Närke, Zebediela, and Burgersfort projects have been reduced through the work of previous operators. The presence of uranium or nickel mineralisation has already been confirmed on all our principal projects through historic exploration drilling. However, we believe that previous work did not define the ultimate size of the deposits at these projects, and thus our shareholders can benefit from both reduced technical and financial risks associated with early stage exploration, and from value uplift as we advance the projects. In 2015, the Company's focus will shift towards determining the ultimate size and economic viability of the Nueltin and Närke projects.

Nueltin project (Canada)

In February 2013, the Company secured an option to earn a 51% interest in Nueltin Lake Gold-Uranium Project from uranium giant Cameco Corporation by incurring CDN$2.5 million in exploration expenditures. The option term has since been extended, and now runs through to 31 December 2016. If the Company satisfies the terms of the first option, URU has the right to trigger a second option to earn up to 70% 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 2,060 g/t Au and uranium up to 13.68% U_3O_8. In 2008, Cameco conducted the only drill programme ever undertaken on the property, and successfully identified the bedrock source of these mineralised boulders. Three drill holes encountered impressive grades and intercepts of gold and uranium mineralisation: up to 8.98 g/t gold over 5.95 metres and 0.23% U3O8 over 1.25 metres.

This mineralisation, named the Sandybeach Lake Zone, remains open in all directions, as Cameco declined to mount follow-up drill programs after the onset of the global financial crisis in 2008. URU is looking forward to leading the next drilling programme on the property to determine the size of the Sandybeach Lake Zone.

Sale of UrAmerica

On 2 April, 2013, URU sold its entire 7.36% equity interest in private company UrAmerica Limited for GBP 200,000. 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.

Närke Project (Sweden)

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 formation which 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 m^3 of petroleum (1 million barrels) and 418,400 m^3 of fuel oil (2.6 million barrels). This company extracted only a small portion of the total ore that is believed to exist at 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, it can develop a financially viable project for our shareholders.

Zebediela Project and Burgersfort Projects (South Africa)
We are excited by the progress made surrounding the Zebediela licenses.

The Preliminary Economic Assessment ("PEA") on the Zebediela project was completed in June 2012, and indicated that with the extraction of 500 million tonnes of the 1.5 billion tonne total (non-JORC compliant) resource defined to date, the project has a Net Present Value ("NPV") of over USD 317M and a post-tax IRR of 18.6%. (This valuation assumes a post-tax discount rate of 10%, nickel price of USD 8.50/lb, production of 20,000 tonnes of nickel per year over a 25 year mine life, a total capex cost of USD 708M, and an opex cost of USD 3.35/ lb Ni.)

Unfortunately, even with our extensive assistance, our two partners, Umnex Mineral Holdings ("Umnex"), and Southern African Nickel ("SAN") were unable to resolve their issues related to an underlying agreement to the SAN-Umnex JV. Their dispute, which started in mid-2012, moved to a formal arbitration process in March 2013. The arbitration prevented any significant work from being performed on the Zebediela project. Accordingly, the Company began a two-part plan to obtain 100% control over the Zebediela licenses.

The first part of the plan was completed on 26 November 2013, when the Company announced that it had acquired all the outstanding ordinary shares of SAN Ltd, a private company incorporated in the BVI, from two private companies. This gave URU control of SAN Ltd's putative interests in various mineral prospecting rights in South Africa. SAN Ltd had been party to two joint ventures in South Africa: a 74% interest in the Zebediela project ("SAN-Umnex"), and, in a 50/50 ownership with URU, a 50% interest in the Burgersfort project ("SAN-BSC"; see Note 10 to the financial statements in both cases). The terms of the purchase agreement stipulated that the SAN-Umnex JV would be terminated upon purchase. As a result, at year-end, URU owns 100% of SAN Ltd, which in turn owns a 74% putative interest in the Zebediela project and a 50% interest in the Burgersfort project.

The second part of the plan was to acquire the remaining 26% of the putative title to the Zebediela licenses. This was held by Umnex Mineral Holdings Pty ("UMH"), which had title to the Zebediela licenses through its subsidiary, Umnex Minerals Limpopo Pty ("UML"). SAN Ltd and UMH had been in dispute since 2011, and arbitration had begun in August 2013. On 10 April 2014, SAN Ltd and UMH agreed that SAN Ltd would purchase 100% of UML from UMH for consideration of 33,194,181 in URU shares. The dispute between SAN Ltd and the holders of the Zebediela licenses was terminated after year-end as part of the purchase agreement. This is a non-adjusting subsequent event as set out in Note 28a.

As a result of these acquisitions, URU now owns 100% of SAN, which in turn has a putative 100% of the Zebediela licenses and a 50% interest in the Burgersfort project.

Our plans for 2014/2015 include investigation of the occurrence of magnetite in both the Oxide and the Sulphide Zones. Further work will be predicated on the results of this investigation.

Closure of Operations in Niger

With the acquisition of the Närke Project, the extension to the option over the Nueltin Project, its 50% interest in the Burgersfort project, and the acquisition of putative title to the Zebediela assets, URU has four 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 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. (The Company had provided for the value of the licenses in full in September 2012.) An extensive search by Management to find partners to invest in these projects has not been successful. Accordingly, the operations in Niger were closed effective September 2013, and treated as Discontinued Operations as set out in Note 23 b.

Strategy for 2014/2015 Consolidate and Invest

In the fiscal years 2012 and early 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 Närke and Nueltin Lake projects, in addition to its investment in the SAN-URU JV and development of the Zebediela Nickel Project.

URU remains committed to its three-prong strategy of acquiring mineral assets, through

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

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 to medium 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. Your Company has acquired quality uranium with by-product projects located in favourable, 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% equity projects, or in other prospective junior companies should the right opportunity arise. However this would be dependent on investor appetite at the time.

The Uranium Market

URU acquired the Nueltin and Närke Projects for their development potential and medium-term production timelines, as well as their location in favourable 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 programme, under which Russian nuclear-weapons grade uranium has been downgraded for use in US civilian nuclear power stations, approximately 16% of the world's annual uranium supply disappeared in fiscal 2014.

Today, HEU-sourced uranium is directly responsible for generating 10% of the United States' total 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 programme, is in the process of re-starting its nuclear fleet of reactors 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.

The International Atomic Energy Association ("IAEA"), in its 2013 survey, forecasts electricity demand to increase by as much as 76% between 2012 and 2030[1].

Even with slower-than-expected return to operation of the Japanese civilian nuclear plants, and the potential shut-downs (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.

The European Nuclear Society reports that, as of 11 March 2014, there are 435 nuclear power plants in operation across 31 countries worldwide, with a total installed electrical net capacity of about 372 Gigawatts (855 MW average). It also reports that there are 72 plants being built in 15 countries to produce 68 Gigawatts (949 MW average)[2]. In other words, the number of reactors will grow by 16%, and each of these on average will be 10% larger than their existing siblings. The IAEA has similar statistics at 31 December 2012: 437 reactors connected to the grid and 67 reactors under construction, but – excitingly - 102 reactors planned[3]. (More than one-third of these are Chinese: the IAEA's figures show 38 of the 102 planned and 29 of the 67 under construction.)

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, as national regulations in most countries, and technical capacities of many operations, prohibit rapid changes in annual uranium output.

It is difficult to ignore the facts. Demand for uranium is likely to increase, and the supply is diminishing. We remain positive on the outlook of uranium and have positioned ourselves to take advantage of the upside potential within the uranium sector.

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[1] Energy, Electricity and Nuclear Power Estimates for the Period up to 2050 (2013 Edition). 2012 demand 551.8 Exajoules; 2030 high forecast 980 EJ; 980/551.8 = 77.6%

[2] http://www.euronuclear.org/info/encyclopedia/n/nuclear-power-plant-world-wide.htm, retrieved 28 July 2014.

[3] http://www-pub.iaea.org/MTCD/publications/PDF/RDS2-32_web.pdf. Installed, p 46; under construction, p30; planned, 27.

The Nickel Market

Nickel prices have moved up slightly from USD $25/ lb in April 2013 to USD $30/ lb at year-end, and then up to USD $35 by mid-August 2014. Nickel use is growing at about 4% each year while use of nickel-containing stainless steel is growing at about 6%. The fastest growth today is seen in the newly and rapidly industrializing countries, especially in Asia. Nickel-containing materials are needed to modernize infrastructure, for industry and to meet the material aspirations of their populations. [4]

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 uranium projects, in Sweden and in Canada, and our Nickel projects in South Africa.

John Zorbas, CEO

[4] http://www.nickelinstitute.org/en/NickelUseInSociety/AboutNickel/WhereWhyNickelIsUsed.aspx

Principal Risks and Uncertainties

Principal Risks and 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.

Category	Risk	Detail	Mitigation Measure/Comments
Strategic	Mineral Reserve and Resource estimates	Mineral Reserves and Mineral Resources estimates are based on several assumptions, including geological, mining, metallurgical and other factors. There can be no assurance that the anticipated tonnages or grades will be achieved. This is particularly the case at exploration-stage projects.	Mineral Reserves and Mineral Resources are prepared to internationally recognized code compliant standards by Qualified Persons under NI 43-101 requirements.
	License transfers	The timing of transfer of mineral licenses can be uncertain and regulatory approval of the transfers is not automatic.	Half of the shares issued to make the purchase of the licenses are held in trust and will be distributed under a lock in agreement over 24 months. In any event, at the current time, Management does not foresee any issues with the licenses' eventual transfer.
Financial	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.
	Costs and capital expenditure	The Company is exposed to on-going expenditure obligations resulting from its project development activities in South Africa 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.
	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.

Principal Risks and Uncertainties

Category	Risk	Detail	Mitigation Measure/Comments
Operational	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.
Personnel	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.
	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.
	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.
Environmental	Remediation	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 as required to identify environmental risks and mitigation measures.
External	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.

Principal Risks and Uncertainties

Category	Risk	Detail	Mitigation Measure/Comments
	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.

Directors' responsibility statement

The Directors are responsible for the preparation and fair presentation of the annual consolidated financial statements of URU Metals Limited, comprising the consolidated statement of financial position at 31 March 2014 and 31 March 2013, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years 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 no significant doubt regarding the ultimate applicability of the going concern assumption.

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

Approval of the annual consolidated financial statements

The annual consolidated financial statements of URU Metals Limited, as identified in the first paragraph, were approved by the Board of Directors on Monday 29th September 2014 and are signed on their behalf by:

David Subotic
Chairman

Jay Vieira
Director

Independent Auditor's Report

Independent Auditor's Report

(Auditor's report spans two pages)

Directors' Report

The Directors are pleased to present their report, which supplements the annual consolidated financial statements for the year ended 31 March 2014.

The Company was incorporated in the British Virgin Islands ("BVI") 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, Sweden 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.

Additional information on our strategic investments appears in the Investments section of the Operating and Financial Review, below.

Operating and Financial Review
As the Group is primarily involved in exploration and project development, no revenue is generated (2014: Nil).

	Group 31 March 2014	Group 31 March 2013
Operating results		
Loss for the year (USD '000)		
From continuing operations	(388)	(4,162)
From discontinued operations	(183)	(4,918)
	(571)	(9,080)
Basic and fully diluted loss per share (US cents)		
From continuing operations	(0.29)	(3.67)
From discontinued operations	(0.14)	(4.35)
	(0.43)	(8.02)

Directors' Report

Market Trends

Uranium Oxide prices declined slightly in the fiscal year from USD 40/ lb to USD 35/ lb, through to USD 27/ lb in summer 2014. Nickel prices have moved in the opposite direction, from USD $25/ lb in April 2013 to USD $30/ lb at year-end, up to USD $35 August 2014. Long-term demand for uranium is expected to be strong, given the large number of nuclear reactors under construction (72) and planned (102) [5] around the globe.

Nickel use is growing at about 4% each year while use of nickel-containing stainless steel is growing at about 6%. The fastest growth today is seen in the newly and rapidly industrializing countries, especially in Asia. Nickel-containing materials are needed to modernize infrastructure, for industry and to meet the material aspirations of their populations. [6]

Environmental matters

As the Company has not been conducting active field exploration operations since September 2013, there are no emerging environmental issues related to existing projects.

URU had mining and exploration activities in Canada and in Sweden in the year (Niger having been closed)and works 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

The Company's structure provides for one full-time employee (the Company's CEO). This position was vacant at year-end, and filled subsequent to year-end by Mr John Zorbas. In the interim, executive duties were carried out by the Company's Chairman, Mr David Subotic.

The Company and the Group have 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 for itself and its subsidiaries.

The Company's Compensation Committee reviews employee remuneration annually.

Social and community issues

As the Company has not been conducting active field exploration operations since September 2013, 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-URU 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 continuing activities in Sweden and in Canada's Nunavut region 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. Our plans in South Africa for 2014/2015 include evaluation of the occurrence of magnetite in both the Oxide and the Sulphide Zones. Further work will be predicated on the results of this investigation.

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[5] http://www-pub.iaea.org/MTCD/publications/PDF/RDS2-32_web.pdf. Installed, p 46; under construction, p30; planned, p. 27.

[6] http://www.nickelinstitute.org/en/NickelUseInSociety/AboutNickel/WhereWhyNickelIsUsed.aspx

Directors' Report

Committee Meetings

During fiscal 2014, the Board met thirteen times, and the Audit Committee twice. Both sets of meetings were attended by all Directors in all cases.

Meeting	Date	Directors Attending
Directors	2 April 2013	3
Directors	9 May 2013	3
Directors	30 May 2013	3
Directors	13 June 2013	3
Audit	19 July 2013	3
Directors	19 July 2013	3
Directors	1 August 2013	3
Directors	8 August 2013	3
Directors	26 August 2013	3
Directors	19 September 2013	3
Directors	31 October 2013	3
Audit	19 November 2013	3
Directors	20 November 2013	3
Directors	9 December 2013	3
Directors	17 December 2013	3

Subsequent to year-end, the Board and its Audit Committee met as follows.

Meeting	Date	Directors Attending
Directors	10 April 2014	2
Directors	1 May 2014	2
Directors	22 May 2014	2
Directors	14 July 2014	2
Directors	17 September 2014	2
Audit	29 September 2014	2

The Annual General Meeting of the Company took place on 26th August 2013.

Investments

UrAmerica Limited

On 4 April 2013 the Company sold its entire holdings of 4,421,000 shares in UrAmerica, an Argentinean based uranium project developer, for a total of GBP 200,000 as discussed in Note 24a to the annual consolidated financial statements. The Company no longer holds any shares or interests in UrAmerica.

Acquisition of Svenska Skifferoljeaktiebolaget ("SSOAB")

In 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.

Closure of operations in Niger

Effective 30 September 2013, the Group closed its operations in Niger. This closure has been treated as a Discontinued Operation as discussed in Note 24b.

Nickel Joint Venture and investment in SAN Ltd and its subsidiaries

Directors' Report

On 5 October 2010, the Group announced that it had entered into a joint venture (the "SAN-URU Joint Venture") with Southern African Nickel Limited ("SAN"), the joint owner and current developer of a large nickel project 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 SAN-URU Joint Venture Agreement and thus had fully vested a 50% interest in the SAN-URU Joint Venture.

However, as announced on 6 April 2011, the Joint Venture sought to continue the development of the Zebediela Nickel Project. Umnex Mineral Holdings ("Umnex"), the vendor of the Zebediela Nickel Project, was to receive a direct interest in the SAN-URU Joint Venture from both Southern African Nickel and URU Metals. Following that direct investment – and assuming that the arbitration (see below) was to have ruled in SAN's favour - the effective interest of each party in the SAN-URU Joint Venture would have been: URU Metals 45%, SAN 40%, and Umnex 15%.

As a consequence of the positive results from the drilling programme and the progress made in the metallurgical testing phases, early in fiscal 2013, the SAN-URU 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 mineralisation. The Zebediela Nickel Project was a joint venture between SAN Ltd and Umnex (the "SAN-Umnex Joint Venture").

The PEA on the Zebediela project was completed in June 2012, and indicated that with the extraction of 500 million tonnes of the 1.5 billion tonne total (non-JORC compliant) resource defined to date, the project has a Net Present Value ("NPV") of over USD 317M and a post-tax IRR of 18.6%. (This valuation assumes a post-tax discount rate of 10%, nickel price of USD 8.50/lb, production of 20,000 tonnes of nickel per year over a 25 year mine life, a total capex cost of USD 708M, and an opex cost of USD 3.35/ lb Ni.) 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 were in dispute in the SAN-Umnex Joint Venture, citing a lack of performance in achieving deliverables under the SAN-Umnex joint venture agreement, and 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 was strictly between SAN and Umnex under the SAN-Umnex Joint Venture, i.e. URU was not a direct party to the dispute.

As set out in Note 26 to the financial statements, on 25 November 2013, the Company announced that it had acquired all the outstanding ordinary shares of SAN Ltd from two private companies. The Group paid total consideration of USD 218,314. As part of that purchase, the SAN-URU Joint Venture was dissolved. SAN Ltd in turn had its 74% interest in the SAN-Umnex Joint Venture, with the remaining 26% held by Umnex, which had putative title to the Zebediela licenses (see Note 28 a) through its subsidiary, Umnex Minerals Limpopo Pty ("UML"). SAN Ltd's dispute with Umnex over the Zebediela project was ongoing at the time of the SAN Ltd purchase.

As set out in Note 28a, on 10 April 2014, SAN Ltd and Umnex agreed that SAN Ltd would purchase 100% of UML from Umnex for consideration of 33,194,181 in URU shares, issued in two tranches. The first tranche was issued on 17 April 2014: 16,563,896 shares, free from trading restrictions, representing 49% ownership. The second tranche was issued on 24 April 2014: 16,630,285 shares, representing the remaining 51% ownership, under a lock-in agreement under which 3,326,057 shares will be released from lock-in at quarterly intervals over five quarters.

The Zebediela Nickel Project extends over three separate mining titles in the Limpopo Province. As at the date of acquisition, title to all three rights were held by parties unrelated to Umnex, and transfer of the rights to UML's subsidiary Lesogo Platinum Uitloop Pty ("LPU") had not been completed. As set out in Note 28 a, the timing of the transfer is uncertain and regulatory approval of the transfer remains outstanding. However, at the current time, Management does not foresee any issues with the licenses' eventual transfer.
Umnex is permitted to return the shares and take back the licenses should URU:

- fail to maintain adequate cash funds to meet its general and project expenditure obligations, or

Directors' Report

- fail to meet the purchased rights' minimum statutory expenditure obligations, as determined by an independent expert or
- raise equity capital at a valuation of below 1.5 pence per share

As at 29 September 2014, the "general and project expenditure obligations", the "minimum statutory expenditure obligations", and the time period to which they would apply have not been determined.

Of the 33,194,181 shares issued for the purchase, 16,630,285 are subject to a lock-in agreement under which 3,326,057 shares will be released at quarterly intervals.

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 can fund a total of CAD 2.5 million on exploration expenditures over a three-year period in return for a 51% stake in the Project ("the First Option"). The Group is committed to spend a minimum of CAD 550,000 by 30 September 2015, at which point the Group has the ability to decide whether to meet 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% 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% 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 2014	Group 31 March 2013
Financial position		
Total assets (USD '000)	3,792	3,456
Total shareholders' funds (USD '000)	3,331	3,290
Net asset value per share (US cents)	2.6	2.9

The financial position and the results of operations are fully dealt with in the financial statements and notes on pages 36 to 75

Dividends
The Board does not recommend a dividend in respect of the results for the year ended 31 March 2014.

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, and on the basis that the Group continues with its current strategies, the Board and management considers that there is no significant doubt regarding the ultimate applicability of the going concern assumption for the Group as discussed fully in Note 2 to the Financial Statements.

Financial Objectives
The Group's financial objectives are to achieve:

Directors' Report

- 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.

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 former 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.

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. Roger Lemaitre served as the Company's Chief Executive Officer from 20 February 2012 to 10 January 2014. 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. 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.

On 18 December 2013, the Company announced the resignation of Mr. Lemaitre, effective 10 January 2014. This was approved by the Board on 17 December 2013. On 2 June 2014, the Company announced the appointment of Mr John Zorbas as Chief Executive Officer (a non-Board appointment). Mr Zorbas' appointment was approved by the Board on 14 July 2014.

Mr. Zorbas, a resource entrepreneur with a proven track record in the metals exploration and development industry, will provide further expertise to the URU Metals team as it focuses on the advancement of the low-cost high-tonnage Zebediela Nickel Sulphide Project in South Africa. Mr Zorbas is currently Executive Chairman and President of NWT Uranium Corporation ("NWT Uranium") and Chief Executive Officer of Mercom Oil Sands plc. He is also a director of both ZorCorp Capital Holdings and Starline Capital Holdings Infrastructure Fund, and served as President of MGM Productions Group Inc. Mr Zorbas has held senior advisory positions in various facets of business including operations, marketing, sales, strategic planning and structured finance. Mr. Zorbas holds an Honours Bachelors in Economics from the University of Toronto.

Directors' Report

The current and former directors' and executives' interests in the Company are set out in the following table:

	Currently		31 Mar 2014		31 Mar 2013	
000s	**Shares**	**Options**	**Shares**	**Options**	**Shares**	**Options**
Mr Lemaitre, directly	nil	1,750	nil	1,750	nil	1,750
Interest (1)	-	0.72%	-	1.32%	-	1.40%
Mr Zorbas, directly	3,000	500	nil	500	nil	500
Interest (1)	1.31%	0.21%	-	0.36%	-	0.40%
Mr Zorbas, indirectly (2)	73,932	3,000	50,323	nil	550	nil
Interest (1)	32.14%	1.31%	37.49%	-	-	-
Mr Subotic, directly	5,350	4,000	3,250	1,000	3,250	1,000
Interest (1) (3)	2.34%	1.64%	2.45%	0.71%	2.87%	0.80%
Mr Vieira, directly	nil	3,000	nil	1,000	nil	1,000
Interest (1)	-	1.31%	-	0.71%	-	0.80%

(1) The interest figures are in the issued shares of the company in the case of shares, and if exercised in the case of the options.
(2) Mr Zorbas owns shares in URU through controlling interests in NWT Uranium, its subsidiary Niketo Co. Ltd and a third company.
(3) Mr Subotic also holds 4,360,000 (31 March 2014 and 2013: 4,360,000) ordinary shares in NWT, which represents 3.27% of the issued share capital of NWT.

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.

Other Matters

The Board is sufficiently small that a Nomination Committee is not practicable.

The Company has 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 December 2014.

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, is represented by Mr Zorbas, who is Exccutive Chairman and President of NWT Uranium and CEO of URU Metals.

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.

Directors' Report

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 audit and remuneration committees, and the terms and conditions of appointment of Non Executive Directors. (The Company does not maintain a nomination committee as noted above.)

On 10 February 2014, the Company announced the appointment of Beaufort Securities Limited as Joint Broker with immediate effect.

Events after the reporting date

Purchase of Umnex Minerals Limpopo Pty ("UML") and end of arbitration
In November 2013, the Company acquired 100% interest in SAN Ltd as set out in Note 10. SAN Ltd in turn had a 74% interest in a joint venture (the "SAN-Umnex Joint Venture"). The remaining 26% was held by Umnex Mineral Holdings Pty ("UMH"), which had putative title to the Zebediela licenses through its subsidiary, Umnex Minerals Limpopo Pty ("UML"). SAN Ltd and UMH had been in dispute since 2011, and arbitration had begun in August 2013. As a result of this arbitration, URU had provided in full against the previously capitalized costs of the Zebediela project (USD 1,821,000) in fiscal 2013.

On 10 April 2014, SAN Ltd and UMH agreed that SAN Ltd would purchase 100% of UML from UMH for consideration of 33,194,181 in new URU shares, issued in two tranches as follows:

Tranche	Date of issue	%age acquired	Shares	Price, pence	Value, USD	Conditions
Initial Consideration Shares	17 April 2014	49.0%	16,563,896	1.83	508,180	Free from trading restrictions
Deferred Consideration Shares	24 April 2014	51.0%	16,630,285	1.75	489,076	Lock-in agreement under which 3,326,057 shares will be released from lock-in at quarterly intervals
			33,194,181		997,256	

As at the date of acquisition, title to all three rights were held by parties unrelated to UML, and transfer of the rights to UML's subsidiary Lesogo Platinum Uitloop Pty ("LPU") had not been completed. The timing of the transfer is uncertain and regulatory approval of the transfer remains outstanding. However, at the current time, Management does not foresee any issues with the licenses' eventual transfer.

The agreement between SAN Ltd and UMH specifies that the arbitration between SAN Ltd and UML was terminated when the first shares are delivered, which took place on 17 April 2014. SAN Ltd obtained control over UML on 24 April 2014, when the second tranche was issued. Both the end of arbitration and control over UML thus took place after year-end.

Accordingly, the end of the arbitration is a non-adjusting subsequent event, i.e. one that is "indicative of conditions that arose after the reporting period", as discussed in Note 28b to the financial statements.

Appointment of new CEO
On 18 December 2013, the Company announced the resignation of Mr. Lemaitre, effective 10 January 2014.
On 2 June 2014, the Company announced the appointment of Mr John Zorbas as Chief Executive Officer (a non-board appointment). Mr Zorbas' appointment was approved by the Board on 14 July 2014.

Directors' Report

Change in Advisors
On 22 May 2014, URU announced the appointment of Northland Capital Partners Limited as the Company's Nominated Adviser ("Nomad") and Broker with immediate effect.

Issuance of Shares to Fund Operation
On 2 May 2014, the Company announced the placing of 54,333,334 new shares at a price of 1.5 pence per share for a total of GBP 815,000. Of the total, 19,283,335 shares were issued to Niketo Co Ltd, a company wholly owned by NWT Uranium, the Company's largest shareholder, bringing NWT's investment in URU to 30.83%.

Issuance of Shares to Related Parties
On 1 May 2014, the Board approved the issuance of shares as follows:

Party	**Relationship**	**Number of shares**
David Subotic	Director	3,000,000 (1)
Jay Vieira	Director	2,000,000
Algena Holdings	Controlled by John Zorbas, now CEO	3,000,000
Total		8,000,000

(1) Of the 3 million shares awarded to David Subotic, 900,000 were simultaneously gifted by him to unrelated parties.

The shares were issued in recognition for work done to complete the Zebediela acquisition, and dealing with other matters in the Group following the resignation of the former CEO of URU in December 2013, which required a significant amount of work, over and above that usually required of Non-Executive Directors, and which was not further remunerated.

Issuance of Options
On 22 May 2014, the company awarded 8,500,000 options as follows:

Party	**Relationship**	**Number of options**
David Subotic	Director	3,000,000
Jay Vieira	Director	2,000,000
Algena Holdings	Controlled by John Zorbas, now CEO	3,000,000
WH Ireland	Outgoing Nomad	500,000
Total		8,500,000

The options vest immediately, may not be exercised later than 23 May 2017, and are exercisable at 2 pence per share.

Share capital
Authorised:
The Company is authorised to issue up to 300,000,000 ordinary shares of USD 0.01 par value (2012: 300,000,000 ordinary shares of USD 0.01 par value).

Number of issued shares:	**Company 31 March 2014**	**Company 31 March 2013**
Balance at beginning of year	113,276,722	113,276,722
Issue of shares		
Purchase of Svenska Skifferoljeaktiebolaget ("SSOAB")	19,500,000	-
Balance at end of year	**132,776,722**	**113,276,722**

Directors' Report

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

USD '000	**Company 31 March 2014**		Company 31 March 2013	
	Share capital	**Share premium**	Share capital	Share premium
Balance at beginning of year	1,133	45,724	1,133	45,724
Issue of shares –				
Purchase of Svenska Skifferoljeaktiebolaget ("SSOAB")	195	472	-	-
Balance at end of year	**1,328**	**46,196**	**1,133**	**45,724**

Directors' Remuneration (USD '000)
The Directors' remuneration for the year ended 31 March 2014 is detailed below:

	Fees for services	**Basic salary**	**Share-based payment expense**	**Total**
Executive Directors				
R. Lemaitre	14	163	11	188
Non-Executive Directors				
J. Vieira	17	-	-	17
D. Subotic	19	-	-	19
Total for the year ended 31 March 2014	**50**	**163**	**11**	**224**
Total for the year ended 31 March 2013	161	201	165	527

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

	Company 31 March 2014 Ordinary shares		Company 31 March 2013 Ordinary shares	
	Beneficial	**Non-Beneficial**	Beneficial	Non-beneficial
Executive Directors	-	-	-	-
Non-Executive Directors	3,250,000	-	3,250,000	-
Senior key personnel	-	-	-	-
	3,250,000	**-**	**3,250,000**	**-**

Directors' Report

Shareholders' Spread

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

	31 March 2014		31 March 2013	
	Number of shares	**% of share capital**	Number of shares	% of share capital
Institutions				
United Kingdom	28,287, 962	21.30	26,973,499	23.81
Europe (excluding UK)	3,059,051	2.30	1,959,165	1.73
North America	2,952,656	2.22	2,968,437	2.62
Subtotal - Institutions	34,299,669	25.83	31,901,101	28.16
Corporate & Non Profit Organizations	69,703,825	52.50	50,782,080	44.83
Private Investors	11,146,271	8.39	8,987,857	7.93
Brokers	11,092,312	8.35	14,268,907	12.60
Custodians & Nominees	6,000,604	4.52	7,177,111	6.34
Total Analyzed	**132,242,681**	**99.60**	113,117,056	99.86
Balance of Register not analyzed (< 10,000)	534,041	0.40	159,666	0.14
Total Issued Capital	132,776,722	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 March 2014**		31 March 2013	
		Number of shares	% of share capital	Number of shares	% of share capital
Niketo Co Ltd (NWT Uranium)	Nicosia	49,773,339	37.49	49,773,339	43.94
Global Hydrocarbons Limited	Tortola	17,000,000	12.80	-	-
Hargreave Hale Ltd.	Blackpool	11,072,345	8.34	11,197,345	9.88
Penson Financial Services Inc	Montreal/Dallas	5,200,009	3.92	7,430,925	6.56
TD Waterhouse (Europe) Ltd	London	5,157,728	3.88	4,349,052	3.84
Total		88,203,421	66.43	**72,750,661**	**64.22**

Directors and Secretary

The following were Directors of the Company during the year:

Name	**Title**	**Appointed**	**Resigned**
David Subotic	Non-Executive Chairman	12 July 12	-
Jay Vieira	Non-Executive Director	21 September 2012	-
Roger Lemaitre	Chief Executive Officer	21 September 2012	10 January 2014

Mr Russel Swarts served as Corporate Secretary from 15 September 2011 to 31 January 2013. The Company has not appointed a formal Secretary to replace Mr Swarts.

On 2 June 2014, the Company announced the appointment of Mr John Zorbas as Chief Executive Officer (a non-board appointment). Mr Zorbas' appointment was approved by the Board on 14 July 2014.

Directors' Report

Registered office:	**Postal Address:**
Intertrust	Suite 702
PO Box 92	85 Richmond Street
Road Town, Tortola	Toronto, ON
British Virgin Islands	Canada
VG1110	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	Jay Vieira
Chairman	Director

Consolidated statements of financial position

USD '000	Note	As at 31 March 2014	As at 31 March 2013
Assets			
Non-current assets			
Plant and equipment	8	20	7
Intangible assets	9,10	3,415	1,527
		3,435	**1,534**
Current assets			
Receivables	11	116	31
Cash and cash equivalents	12	240	1,878
		356	**1,909**
Assets of disposal group	24b	1	13
Total assets		**3,792**	**3,456**
Equity and liabilities			
Equity			
Share capital and premium	13	47,524	46,857
Reserves	14	1,876	2,121
Accumulated deficit		(46,069)	(45,688)
		3,331	**3,290**
Current liabilities			
Trade and other payables	17	301	128
Non-current liabilities			
Contingent consideration on SSOAB purchase	25	**160**	**-**
Liabilities of disposal group	24b	-	38
Total liabilities		**461**	**166**
Total equity and liabilities		3,792	3,456

Commitments and Contingencies 21

The Notes on pages 36 to 75 are an integral part of these consolidated financial statements.

Consolidated statements of loss and comprehensive loss

USD '000	Note	Year ended 31 March 2014	Year ended 31 March 2013
Continuing Operations			
Administrative expenses		(658)	(1,743)
Operating loss		**(658)**	**(1,743)**
Financing costs		(22)	-
Impairment of jointly-controlled asset	10	-	(2,409)
Gain on disposal of investment	24a	292	-
Loss on disposal of plant and equipment	8	-	(10)
Profit (Loss) before income tax from continuing operations		**(388)**	**(4,162)**
Income tax expense	19	-	-
Profit (Loss) for the year			
From continuing operations		(388)	(4,162)
From discontinued operations	24b i	(183)	(4,918)
Profit (loss) for the year	20	**(571)**	**(9,080)**
Other comprehensive loss			
Items that may be reclassified to profit and loss			
Foreign currency translation differences:			
On consolidation of foreign operations:			
Operating subsidiaries		(74)	(63)
Items that will not be reclassified to profit and loss			
Resulting from change in functional currency		-	(71)
Other comprehensive loss for the year, net of income tax	16	(74)	(134)
Attributable to continuing operations		(72)	(112)
Attributable to discontinued operations		(2)	(22)
Total comprehensive loss for the year		(645)	(9,214)
Total comprehensive loss attributable to:			
Owners of the Company		(645)	(9,214)
Basic and diluted earnings (loss) per share (US cents)			
From continuing operations	20	(0.29)	(3.67)
From discontinued operations	20	(0.14)	(4.35)
Total		(0.43)	(8.02)

The Notes on pages 36 to 75 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 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							
Foreign currency translation differences	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**
Balance at 1 April 2013		**1,133**	**45,724**	**(259)**	**2,380**	**(45,688)**	**3,290**
Comprehensive income for the year							
Loss for the year		-	-	-	-	(571)	(571)
Other comprehensive income	16,18	-	-	(74)	-	-	(74)
Total comprehensive income for the year		-	-	(74)	-	(571)	(645)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Issue of ordinary shares	13	195	472	-	-	-	667
Share-based payment transactions		-	-	-	(171)	190	19
Total transactions with owners, recognised directly in equity		**195**	**472**	-	(171)	190	686
Balance at 31 March 2014	13,14	**1,328**	**46,196**	**(333)**	**2,209**	**(46,069)**	**3,331**

The Notes on pages 36 to 75 are an integral part of these consolidated financial statements.

Consolidated statements of cash flows

USD '000	Note	Year ended 31 March 2014	Year ended 31 March 2013
Cash flows from operating activities	22	**(813)**	**(1,913)**
Cash flows from investing activities			
Acquisition of plant and equipment	8	(20)	(3)
Cash paid to acquire SSOAB	25	(461)	-
Cash paid to acquire SAN Ltd	26	(219)	-
Capitalisation of exploration costs	9	(431)	(233)
Proceeds of sale of UrAmerica	24 a	292	-
Foreign exchange differences on consolidation of subsidiaries		(74)	(65)
Net cash (used)/generated by investing activities		**(913)**	**(301)**
Net decrease in cash and cash equivalents		(1,726)	(2,214)
Cash and cash equivalents at beginning of year		1,882	4,035
Effect of exchange rate fluctuations on cash held		84	61
Cash and cash equivalents at 31 March	12	**240**	**1,882**
Comprised of:			
Continuing operations		239	1,878
Discontinued operations		1	4

The Notes on pages 36 to 75 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

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 ("BVI") on 21 May 2007. The Company's shares were admitted to trading on AIM, a market operated by the London Stock Exchange on 12 September 2007. The address of the Company's registered office is Intertrust, P.O. Box 92, Road Town, Tortola, British Virgin Islands, and its principal office is 702-85 Richmond Street West, Toronto, Ontario, Canada, M5H 2C9.

The annual consolidated financial statements of the Company as at and for the year ended 31 March 2014 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 Monday 29 September 2014.

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

2) Nature of Operations and Liquidity

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, twelve months from the end of the reporting period. Management is aware, in making its assessment, of estimates and uncertainties related to events or conditions over the entity's ability to continue as a going concern, as described in the following paragraphs. 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.

As at 31 March 2014, the Group reported a net loss for the year of $571,000 (2013 - $9.1 million), an accumulated deficit of $46.1 million (2013 - $45.7 million), and has liabilities of $461,000 (2013 - $166,000). Although it has a cash balance of $240,000 (2013 - $1.9 million), and has issued GBP 815,000 in shares subsequent to year-end as set out in Note 28, the Group has not generated cash flow from operations.

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

Notes to the Consolidated Financial Statements

There is no assurance that these initiatives will be successful. However, in Management's opinion, based on its cash flow forecasts and the financing subsequent to year end, there is no 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 Wednesday 29 September 2014.

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 "presentation currency"). The functional and presentation currencies are set out in the table below:

Entity	March 31, 2014		March 31, 2013	
	Functional	Presentation	Functional	Presentation
Group		USD		USD
Subsidiaries:				
URU Metals Limited ("URU")	CAD		CAD	
Niger Uranium Societe Anonyme ("NUSA")	CFA		CFA	
8373825 Canada Inc ("Nueltin")	CAD		CAD	
Svenska Skifferoljeaktiebolaget ("SSOAB")	SEK		-	
Southern Africa Nickel Ltd ("SAN Ltd")	USD		-	

URU Metals Limited's functional currency was changed to CAD effective 31 January 2013. This change was made 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 *IAS 21, 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:

Notes to the Consolidated Financial Statements

- Assets and liabilities are translated at the closing rate as at the date of the statement of financial position;
- Income and expenses are translated at the average rate of exchange for the reporting period;
- Equity balances are initially translated at closing exchange rates and subsequent balances are translated at historical rates; and
- Translation gains and losses are 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 may not 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 Determination of Functional currency
Note 9 Valuation of Intangible assets
Note 15 Measurement of share options
Note 21 Completeness of Contingent liabilities and commitments

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 new or amended accounting standards detailed below for the first time for the current financial year:

Standard	Impact	Effect on the Group
IAS 1, Financial statement presentation	The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.	URU has updated its disclosure accordingly.
IFRS 7, 'Financial instruments: Disclosures'	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.	URU has updated its disclosure accordingly.
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.	There has been no effect on URU's reporting.

Notes to the Consolidated Financial Statements

Standard	Impact	Effect on the Group
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.	There has been no material impact on URU's financial statements in relation to the Zebedelia and Burgersfort properties.
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 previously found in *IAS 28, Investments in Associates*.	URU has updated its disclosure accordingly.
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.	There is no material impact on URU's financial statements.
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.	There is no impact on URU's financial statements.
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	There is no impact on URU's 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 all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair

Notes to the Consolidated Financial Statements

value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

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

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

Joint arrangements, joint operations, and joint ventures

As defined in *IFRS 11, Joint Arrangements*, a joint arrangement is a contractual arrangement in which two or more parties have joint control. Control is defined by *IFRS 10, Consolidated Financial Statements*; joint control only exists when decisions require unanimous consent of the parties sharing that control. A joint arrangement is either a joint operation, where the parties have rights to the assets and obligations of the operation and thus recognize its share of the assets, liabilities, and operations, or a joint venture, where the parties have rights to the net assets of the obligation, and thus recognize their interest as an investment using the equity method. The group has applied IFRS 11 to all joint arrangements as of 1 April 2012.

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

i) Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

Notes to the Consolidated Financial Statements

ii) 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 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

Notes to the Consolidated Financial Statements

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

d) Exploration costs / Intangible assets

Exploration and evaluation costs are capitalized on a project-by-project basis, pending determination of the technical feasibility and the commercial viability of the project. In accordance with IFRS 6, *Exploration for and Evaluation of Mineral Resources*, the Company allocates costs incurred to cash generating units (CGUs), which are projects, or groups of projects, which share a consistent profile and proximity. Exploration costs are presented in Intangible assets in the statement of financial position.

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

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

Exploration and evaluation assets shall be assessed for impairment at each reporting period in accordance with IFRS 6, and any impairment losses will be recognized before such reclassification.

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

Mineral property acquisition costs, and exploration and development expenditures incurred subsequent to the determination of the feasibility of mining operations and approval of development by the 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 cash consideration and deferred consideration.

e) Cash and Cash Equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated balance sheet, bank overdrafts would be shown within borrowings in current liabilities.

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
	Non-derivative	Fair value	Fair value	nil

Notes to the Consolidated Financial Statements

Fair value through profit and loss	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 operation, 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.

Notes to the Consolidated Financial Statements

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*

Financial liabilities can be classified into several categories as summarised in the table below, and which are further discussed in the subsequent text:

Category	**Derivative Status**	**Subsequent to initial recognition, held at:**	**URU's balances in that category**
Held for trading	Derivative	Fair value through profit and loss	nil
	Non	Fair value through profit and loss	Accounts Payable Accrued Liabilities
Held to maturity	Non	Fair value through profit and loss	nil
Other financial liabilities	Non	Amortised cost using the effective interest method	Contingent Consideration
Financial liabilities designated as hedged items	Derivative	According to IAS 39	nil
Assets not fully derecognized/ continuing involvement maintained	Non	According to IAS 39	nil

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.

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.

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

Notes to the Consolidated Financial Statements

- 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.

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, other than for available-for-sale financial assets, if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

ii) Non-financial assets

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less 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.

Notes to the Consolidated Financial Statements

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 Chief Operating Decision Maker, the CEO, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Notes to the Consolidated Financial Statements

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*	*Impact on the financial statements for the Group*
IFRS 9 (2009) Financial Instruments	1 January 2015	Has not been estimated as at 31 March 2014
IFRS 9 (2010) Financial Instruments	Open/ tentatively 1 January 2018	Has not been estimated as at 31 March 2014
IAS 36, Impairment of assets	1 January 2014	Has not been estimated as at 31 March 2014
IFRIC 21, Levies	1 January 2014	Has not been estimated as at 31 March 2014

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 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 2014.

Notes to the Consolidated Financial Statements

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 2014.

IAS 36, Impairment of assets
This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

IFRIC 21, Levies
IFRIC 21 sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised.

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 23.

6) Financial risk management

The Group has exposure to Credit risk, Liquidity risk, and Market risk from its use of financial instruments.

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.

a) 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.

Notes to the Consolidated Financial Statements

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.

b) 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 240,000 on 31 March 2014 (2013 – USD 1.882 million) in Continuing and Discontinued operations, which represent the maximum credit exposure on these assets. At year-end, the majority of the cash and cash equivalents are held with Scotiabank.

c) 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 twelve 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.

d) 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.

e) 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 subsidiaries are not hedged.

Notes to the Consolidated Financial Statements

f) Interest rate risk

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.

g) 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. The Board of Directors monitors the return on capital. Capital consists of the following:

USD 000s	Note	31 March 2014	31 March 2013
Share capital and premium	13	47,524	46,857
Share option reserve	14	2,209	2,380
Foreign currency translation reserve	14	(333)	(259)
Accumulated deficit		(46,069)	(45,688)
		3,331	3,290

The Board has set a target for all employees and Directors of the Group to hold a maximum of 10% of the Company's ordinary shares. At present current Directors and current employees hold 2.45% (2013 – 3.01%) of ordinary shares, or 3.03% (2013 – 3.91%) 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 (2013: Nil). Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

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

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

7) Segment information

a) Reportable Segments

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

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

Exploration	Includes obtaining 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 2014 or 2013.

Notes to the Consolidated Financial Statements

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. Any inter-segment transactions would be determined on an arm's length basis. Inter-segment pricing for 2014 and 2013 consisted of funding advanced from Corporate Office to Exploration.

b) Operating Segments

USD '000	**Operating Segments**					
	Exploration		**Corporate Office**		**Total**	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
Depreciation	2	11	5	38	7	49
Reportable segment profit (loss) before tax for:						
continuing operations	**-**	**(4,162)**	**(388)**	**-**	**(388)**	**(4,162)**
discontinued operations	**(183)**	**(4,918)**	**-**	**-**	**(183)**	**(4,918)**
	(183)	**(9,080)**	**(388)**	**-**	**(571)**	**(9,080)**
Material non-cash items in segment loss before tax:						
Share-based payments expense	-	-	18	220	18	220
Impairment of intangibles	-	7,022	-	-	-	7,022
Reportable segment assets	**3,468**	**1,540**	**324**	**1,916**	3,792	**3,456**
Capital expenditure	20	1	-	2	20	3
Additions to mineral properties	1,909	233	-	-	1,909	233
Reportable segment liabilities	**(15)**	**(38)**	**(446)**	**(128)**	(461)	**(166)**

Notes to the Consolidated Financial Statements

Exploration activities were funded by Corporate Office as set out in Note 27.

c) Geographical segments

For the year ended 31 March 2014, business activities took place in Sweden, Canada, South Africa, and (prior to closure as disclosed in Note 24) Niger.

For the year ended 31 March 2013, business 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.

	Niger		**South Africa**		**Sweden**		**Canada**		**Total**	
USD '000	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Expenses										
Share-based payments expense	-	-	-	-	-	-	18	220	18	220
Impairment of intangibles	-	4,613	-	2,409	-	-	-	-	-	7,022
Depreciation	1	11	-	38	-	-	6	-	7	49
Other	182	294	-	522	-	-	406	973	588	1,789
Total	183	4,918	-	2,969	-	-	430	1,193	613	9,080
Total Assets	1	14	1,942	1,527	1,426	-	520	1,915	3,889	3,456
Fixed asset expenditure	-	1	-	-	-	-	20	2	20	3
Additions to mineral properties	-	-	332	102	1,402	-	175	-	1,909	102
Total Liabilities	-	(38)	-	-	(15)	-	(446)	(128)	(461)	(166)

Exploration activities were funded by Corporate Office as set out in Note 27.

Notes to the Consolidated Financial Statements

8) Plant and equipment

USD '000

	Cost	**Accumulated depreciation**	**Carrying amount**
31 March 2014			
Exploration plant and equipment	50	31	19
Computer equipment	7	6	1
Continuing operations	**57**	**37**	**20**
31 March 2013			
Exploration plant and equipment	29	23	6
Computer equipment	7	6	1
Continuing operations	**36**	**29**	**7**

Reconciliation of carrying amounts

USD '000	Exploration plant and equipment	Motor vehicles	Computer equipment	Furniture and office equipment	Total
31 March 2014					
Balance at 1 April 2013	6	-	1	-	7
Additions	20	-	-	-	20
Disposals	-	-	-	-	-
Depreciation	(7)	-	-	-	(7)
Balance at 31 March 2014	19	-	1	-	20
Balance at 1 April 2012	8	-	36	-	44
Additions	-	-	2	-	2
Disposals	-	-	(10)	-	(10)
Depreciation	(2)	-	(27)	-	(29)
Balance at 31 March 2013	6	-	1	-	7

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 (2013: nil) capital commitments.

Notes to the Consolidated Financial Statements

9) Intangible assets

Exploration costs

	South African Projects (Note 10, 26)	NUSA / Discontinued Operations (Note 24 b)	SSOAB Note 25	Nueltin (Note 21)	Total
Cost					
Opening, 1 April 2013	3,872	4,758	-	-	8,630
Acquired	209	-	1,269	-	1,478
Foreign Exchange	(314)	-	36	-	(278)
Additions	123	-	133	175	431
Closing, 31 Mar 2014	3,890	4,758	1,438	175	10,261
Accumulated Amortisation					
Opening, 1 April 2013	(2,345)	(4,758)	-	-	(7,103)
Foreign exchange	257	-	-	-	257
Provisions	-	-	-	-	-
Closing, 31 Mar 2014	(2,088)	(4,758)	-	-	(6,846)
Net Book Value, 31 Mar 2014	1,802	-	1,438	175	3,415
Net Book Value, 31 Mar 2013	1,527	-	-	-	1,527

As set out in Note 4d, the Company does not commence amortisation of exploration assets until they enter the development phase.

NUSA Licenses
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. All the Niger licenses are considered to be a single project, and thus to be one Cash Generating Unit (CGU).

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 were carried at a total acquisition cost of USD nil (2013: USD nil.)

The Group considers that it had fully complied with its commitments under the terms of the licences that it held. The Group had 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 in fiscal 2013 impaired the cost for those licenses in full.

In fiscal 2014, the licenses were returned and the Group's operations in Niger were closed, and the latter are thus set out in Note 24b, Discontinued Operations.

SSOAB Licenses
SSOAB has 100% ownership of 6 exploration licenses near the town of Örebro, Sweden. The Swedish licenses are considered to be a single project, and thus to be one CGU.

Nueltin License
Nueltin is party to an option agreement with Cameco Corporation, the holder of license located in the Nunavut Territory of Canada. Under the agreement, Nueltin can earn 51% interest in the project from

Notes to the Consolidated Financial Statements

Cameco in return for exclusively funding CDN$2.5 million in exploration expenditures by 31December 2016. The Cameco project is considered to be one CGU.

10) Investment in South African projects and purchase of SAN Ltd

USD '000	Note	Ownership in SAN-URU JV	Acquisition	Capitalised Costs	Accumulated amortisation and impairments	Carrying amount
1 April 2012		50%	-	3,703	-	3,703
Capitalised costs		-	-	233	-	233
Foreign Exchange		-	-	-	(64)	(64)
Impairment		-	-	-	(2,345)	(2,345)
31 March 2013		50%	-	3,936	(2,409)	1,527
Purchase of SAN Ltd	26	nil	209	-	-	209
Capitalised costs		-	-	123	-	123
Foreign exchange				(314)	257	(57)
31 March 2014		nil	209	3,745	(2,152)	1,802

Capital commitments SAN-URU Joint Venture

USD '000	**31 March 2014**		**31 March 2013**	
	Total	URU Share	Total	URU Share
URU Metals incurred	-	-	500	250

As set out in Note 26, the SAN-URU JV was dissolved with URU's purchase of SAN Ltd.

As set out in Note 4d, the Company does not commence amortisation of intangible assets until they enter the development phase.

On 5 October 2010, the Group announced that it had entered into a joint venture (the "SAN-URU Joint Venture") with Southern African Nickel ("SAN Ltd"), 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 SAN-URU Joint Venture of, in aggregate, up to USD 3.6 million over a period of 20 months from 5 October 2010. The SAN-URU Joint Venture's interests included a 50% interest in a joint arrangement to explore mineral rights near the town of Burgersfort in South Africa (the "Burgersfort Project") as well as the Zebediela Nickel Project as noted below.

On 6 April 2011 the Group announced the satisfactory and successful conclusion of all due diligence activities between SAN Ltd and Umnex Mineral Holdings Pty ("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 a joint venture, structured exclusively between SAN Ltd and Umnex (the "SAN-Umnex Joint Venture", i.e. not to be confused with the SAN-URU Joint Venture). The acquisition of an interest in the Zebediela rights via the SAN-Umnex Joint Venture 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 SAN-URU Joint Venture of USD 3.6 million.

In fiscal 2012, URU Metals satisfied all its obligations under the SAN-URU Joint Venture Agreement and thus had a fully vested 50% interest in the SAN-URU Joint Venture. However, as announced on 6 April 2011, the SAN-URU Joint Venture sought to continue the development of the Zebediela Nickel Project. Umnex, the vendor of the Zebediela Nickel Project, would receive a direct interest in the SAN-URU Joint Venture from both Southern African Nickel and URU Metals. Subsequent to that direct investment – and assuming that the arbitration (see below) was to have ruled in SAN's favour - the effective interest of each party in the SAN-URU Joint Venture would have been URU Metals 45%, SAN 40%, and Umnex 15%.

Notes to the Consolidated Financial Statements

In fiscal 2013, a dispute arose between SAN and Umnex. Both parties alleged that the other party had failed in its obligations under their SAN-Umnex Joint Venture agreement. Primarily, Umnex alleged that SAN has failed in its obligation to achieve a public listing for the SAN-Umnex Joint Venture by July 6, 2012, and thus Umnex had the ability to leave the Joint Venture with ownership of the mineral rights in exchange for payment of historical exploration costs, whereas SAN Ltd alleged that Umnex had 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 as an amendment to the SAN-URU Joint Venture; URU was never party to the dispute between SAN Ltd and Umnex. As at 31 March 2013, URU had fulfilled all of its obligations under that separate agreement. URU was in active discussions between Umnex and SAN Ltd to facilitate a resolution to the dispute. Unfortunately, discussion through to the end of calendar 2012 failed to resolve the dispute between Umnex and SAN Ltd, such that those two partners entered into a formal arbitration process.

URU acquired 100% of the shares of SAN Ltd in November 2013 as set out in Note 26.

The arbitration was ultimately settled as a condition of URU's acquisition in April 2014 of the Umnex subsidiary which held the Zebediela licenses (Note 28a). The latter, post year-end, transaction resulted in the termination of the arbitration.

Accounting Treatment of SAN-URU Joint Venture / the Burgersfort properties
With URU's acquisition of SAN Ltd at year-end, the SAN-URU Joint Venture was dissolved, and SAN Ltd obtained ownership of the JV's former 50% interest in the Burgersfort properties. SAN Ltd's interest in the Burgersfort properties is a Joint Operation as set out in IFRS 11, *Joint Arrangements.* Any disputes not resolved by management of SAN Ltd and its joint venture partner must go to arbitration, i.e. joint control over a contractual agreement.

Accounting Treatment of SAN-Umnex Joint Venture (the Zebediela properties)
The original agreement intended that SAN Ltd would have 74% ownership of the final agreement, i.e. did not intend joint control of the joint venture, so the JV is not a jointly controlled arrangement as set out in IFRS 11. Due to the arbitration, SAN Ltd had neither complete control (a requirement for consolidation) nor significant influence (requirement to treat as an an investment in associate). Accordingly, at 31 March 2014, SAN Ltd's interest in Zebediela remains a Farm-in Agreement, and the Company capitalises 100% of the costs it incurs in relation to the SAN-Umnex Joint Venture to the extent that the costs are directly related to exploration and evaluation activities.

11) Receivables

USD '000	31 March 2014	31 March 2013
Deposits	63	23
Other prepayments	19	7
Other receivables	30	1
Payroll withholding taxes recoverable from Directors	4	-
	116	31

Notes to the Consolidated Financial Statements

12) Cash

USD '000	31 March 2014	31 March 2013
Petty Cash	-	1
Cash in Bank	240	1,877
Cash	240	1,878

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:				
Balance at 31 March 2012 and 31 March 2013	113,276,722	1,133	45,724	46,857
Shares issued to purchase SSOAB	19,500,000	195	472	667
Balance at 31 March 2014	132,776,722	1,328	46,196	47,524

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 (2013 - $nil).

14) Reserves

USD 000	Note	31 March 2014	31 March 2013
Share option reserve	15	2,209	2,380
Foreign currency translation reserve	16	(333)	(259)
		1,876	**2,121**

The Share Option Reserve comprises the accumulation of values assigned to option grants from inception of the Share Option Plan (Note 15a), 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 2014.

Notes to the Consolidated Financial Statements

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	21 October 2010	7,950,000	One third immediately, one third after one year, final third after two years	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
		13,050,000		

ii) Continuity and Exercise Price

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

	31 March 2014		31 March 2013	
	Number of options	Weighted average exercise price (GBP)	Number of options	Weighted average exercise price (GBP)
Outstanding at 1 April	11,483,334	0.05	10,735,734	0.16
Granted during the year	-	-	3,250,000	0.03
Exercised during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Expired in the year	(4,000,000)	0.05	(2,502,400)	0.05
Outstanding at 31 March	7,483,334	0.04	11,483,334	0.05
Exercisable at 31 March	7,483,334	0.04	11,200,001	0.05

During the year, as part of various severance packages, a total of nil options (2013: 5,100,001) had their expiry dates accelerated to end two years after the employees' termination.

Notes to the Consolidated Financial Statements

iii) Reconciliation of share options outstanding

31 March 2014 Exercise prices (GBP)	Number outstanding	Weighted average remaining life (years)	Weighted average price (GBP)	Options exercisable Number exercisable	Options exercisable Weighted average exercise price (GBP)
0.033750	3,250,000	1.91	0.033750	3,250,000	0.033750
0.048800	750,000	0.78	0.048800	750,000	0.048800
0.048800	2,633,334	6.56	0.048800	2,633,333	0.048800
0.070000	350,000	0.78	0.070000	350,000	0.070000
0.070000	500,000	7.90	0.070000	500,000	0.070000
	7,483,334	3.78	0.044672	7,483,334	0.044672

31 March 2013 Exercise prices (GBP)	Number outstanding	Weighted average remaining life (years)	Weighted average price (GBP)	Options exercisable Number exercisable	Options exercisable Weighted average exercise price (GBP)
0.03375	3,250,000	2.91	0.03375	3,250,000	0.03375
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
	11,483,334	3.45	0.04796	11,200,001	0.04739

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, using the Black-Scholes option pricing model, based on the closing share price at the close of business on the previous day, using the following inputs:

	31 March 2014	31 March 2013
Fair value at grant date (GBP)	-	0.0136
Share price (GBP)	-	0.0338
Exercise price (GBP)	-	0.0338
Expected volatility	-	60.26%
Option life	-	3.00
Expected dividends	-	0.0%
Risk free interest rate	-	0.36%

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

Notes to the Consolidated Financial Statements

v) Fair values

Share options expensed USD '000	Note	31 March 2014	31 March 2013
Share options granted – current year		-	220
Share option cancellation		-	-
Total expense recognised in employee costs		-	220
The share options expense was as follows:			
Directors	18	11	165
Current and Former Employees	18	7	55
		18	220
Aggregate un-expensed fair value of options granted		-	18

b) Warrant options

The following is a summary of the Group's warrant options granted under its Share Incentive Scheme. As at 31 March 2014, 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 2014	31 March 2013
Opening balance	(259)	(125)
Movement for the year	(74)	(134)
Closing balance	(333)	(259)

17) Trade and other payables

USD '000	31 March 2014	31 March 2013
Other payables	3	5
Unclaimed dividends	-	18
Accruals	298	105
	301	128

Notes to the Consolidated Financial Statements

During the year, pursuant to a Directors' Resolution and as permitted by its Articles of Incorporation, the Company reclaimed the dividends that had been unclaimed for more than three years.

18) Loss before income tax

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

USD '000	Note	31 March 2014	31 March 2013
Auditors' remuneration		70	85
Directors' fees		51	161
Legal fees		49	90
perating lease payments		96	69
Depreciation		7	49
Foreign exchange loss/(gain)			
Realised		(80)	32
Unrealised		22	(3)
Staff remuneration:			
Share options expensed – Directors (equity settled)	15 a	11	165
Share options expensed – Current and former staff (equity settled)	15 a	7	55
Staff cost – salaries		303	652

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 26.5% (2013 - 26.5%).

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, 2014 and 31 March 2013 is as follows:

USD '000	31 March 2014	31 March 2013
Net loss before tax from continuing operations	(388)	(4,162)
Tax at statutory rate of 26.5%	(103)	(1,103)
Foreign tax rate differences	-	311
Non-deductible/ non-taxable items	(54)	31
Benefit of losses not recognized	157	761
Tax expense	-	-

The group has tax losses in Canada of USD 575,000 expiring in 2034 and USD 7,645,000 expiring in 2033.

Given the closure of the Niger operations in the year (Note 24), the Group has not recognized deferred tax losses in respect of capitalized expenses in Niger.

Notes to the Consolidated Financial Statements

20) Basic and diluted loss per share

	31 March 2014	31 March 2013
The basic and dilutive loss per share is calculated using:		
Income (Loss) for the year (USD '000)	(571)	(9,080)
Weighted average number of ordinary shares in issue	132,776,722	113,276,722
Basic earnings (loss) per share (US cents)		
From continuing operations	(0.29)	(3.67)
From discontinued operations	(0.14)	(4.35)
Total	(0.43)	(8.02)
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	113,276,722
Issuance of shares to purchase SSOAB	19,500,000	-
	132,776,722	113,276,722

As the Group was in a loss position, inclusion of share and warrant options would be antidilutive, and thus the basic and fully diluted calculations are the same for both years. Accordingly, at 31 March 2014, 7,483,334 share options (2013: 11,483,333) and 100,000 warrant options (2013: 100,000) were excluded from the diluted weighted average number of ordinary shares calculations.

The following transactions subsequent to year-end, if occurring during the year, would have impacted the Earnings per Share calculation:

Note	**Nature**	**Amount**
28a	Shares	33,194,181
28d	Shares	54,333,334
28e	Shares	9,000,000
28f	Options	8,500,000

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 2014	31 March 2013
Less than 1 year	21	41
Later than 1 year but less than 5 years	-	-
	21	41

The Company had signed an operating lease for its former offices in South Africa which commenced in December 2010 and expired in November 2013. The initial lease payment amounted to USD 4,916 per month and escalated at 8% per annum.

In February 2014, the Company signed a lease with its majority shareholder, NWT Uranium ("NWT") based on the square footage it uses in NWT's office space. The monthly rent is CAD 1,850; the lease runs through to 31 March 2015, and will be settled from time to time with NWT as URU's finances permit.

Notes to the Consolidated Financial Statements

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% stake in the Project ("the First Option"). The Group is committed to spend a minimum of CAD 550,000 by 30 September 2015, at which point the Group has the ability to decide whether to meet the remaining exploration requirements of CAD 950,000 by 31 December 2015 and a further CAD 1 million by 31 December 2016 to satisfy the First Option in full.

On completion of the First Option, URU has the option to earn an additional 19% 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% 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) Cash Used by Operating Activities

USD '000		31 March 2014	31 March 2013
Loss for the year		(571)	(9,080)
Adjusted for:			
Depreciation			
Continuing operations	8	7	29
Discontinued operations		-	20
Share-based payments expense	15 a	18	220
Interest accretion on long-term liability		19	-
Gain on sale of investment held at cost	24 a	(292)	-
Loss on disposal of plant and equipment			
Continuing operations	8	-	10
Discontinued operations	24 b	5	-
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)		(57)	33
		(871)	(1,817)
Movements in working capital:			
(Increase) Decrease in receivables		(85)	59
(Decrease) Increase in trade and other payables		143	(155)
		58	(96)
Cash flows utilised by operating activities		(813)	(1,913)
Comprised of:			
Continuing operations		(602)	(1,486)
Discontinued operations	24 b i	(211)	(427)
		(813)	(1,913)

Notes to the Consolidated Financial Statements

Cash flows from both Investing and Financing activities for Discontinued Operations were nil in 2013 and 2014.

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 2014	Carrying amount 31 March 2013
Cash and Cash Equivalents (including Discontinued Operations)	12	240	1,882
Deposits and Other Receivables (including Discontinued Operations)	11	116	35

None of these financial assets is either past due or impaired. The Deposits are with certain of the Group's vendors, and the Receivables are with statutory authorities.

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 2014						
Non-derivative financial liabilities, including Discontinued Operations						
Trade and other payables	301	301	301	-	-	-
Contingent consideration	160	221	-	-	-	221
31 March 201						
Non-derivative financial liabilities, including Discontinued Operations						
Trade and other payables	166	166	166	-	-	-

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.

Notes to the Consolidated Financial Statements

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	Swedish Kronor	Canadian Dollars	Total
31 March 2014							
Cash	9	223	-	1	5	2	240
Deposits, Prepaids, and Receivables	65	25	-	-	12	14	116
Trade and other payables	(1)	(104)	(75)	-	(39)	(82)	(301)
Contingent consideration	(160)	-	-	-	-	-	(160)
Net exposure	(87)	144	(75)	1	(22)	(66)	(105)
31 March 2013							
Cash	11	1,840	24	3	-	-	1,878
Deposits, Prepaids, and Receivables	13	-	18	4		-	35
Trade and other payables	(10)	(38)	(26)	(38)	-	(54)	(166)
Net exposure	14	1,802	16	(31)	-	(54)	1,747

The following significant exchange rates applied during the period:

	31 March 2014		31 March 2013	
From USD to:	Reporting date	Average rate	Reporting date	Average rate
Canadian Dollar	1.106	1.054	1.016	1.008
British Pounds Sterling	0.601	0.630	0.60	0.631
Swedish Kronor	6.500	6.523	6.390	6.558
Franc CFA	476.96	474.49	505.66	510.27
South African Rand	10.576	10.118	8.421	8.401

(ii) Sensitivity analysis

A 10% strengthening of the US Dollar against the following currencies at 31 March 2014 would have increased/(decreased) equity and profit or loss by the amounts shown below. This was determined by recalculating the USD balances held using a 10% greater exchange rate to the US Dollar. This analysis assumes that all other variables, in particular interest rates, remain constant.

Effect in USD '000	31 March 2014		31 March 2013	
	Equity	Profit or loss	Equity	Profit or loss
US Dollar	-	-	-	-
British Pounds Sterling	-	(4)	-	180
South African Rand	-	(1)	-	2
Franc CFA	-	-	-	(3)
Swedish Kronor	-	-	-	-
Canadian Dollar	-	(9)	-	(5)

Notes to the Consolidated Financial Statements

A 10% weakening of the US Dollar against the above currencies at 31 March 2014 and 31 March 2013 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 2014 Carrying amount	Fair value	31 March 2013 Carrying amount	Fair value
Assets and liabilities carried at amortised cost (including Discontinued Operations)				
Receivables	116	116	35	35
Cash and cash equivalents	240	240	1,882	1,882
Trade and other payables	(301)	(301)	(166)	(166)
Long-term liabilities	(160)	(160)	-	-
	(105)	(105)	1,751	1,751

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) Disposed Investments and Discontinued Operations

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, resulting in a gain of USD 292,000. This investment had previously been written off in the consolidated financial statements.

b) Decision to close the Niger Operations

The assets and liabilities related to Niger Uranium Societe Anonyme ("NUSA") have been presented as discontinued operations following the approval of the Group's Board to close the Company's operations there. The closure of the Niger operations was completed effective 30 September 2013, and has been treated as a Discontinued Operation in the financial statements.

Notes to the Consolidated Financial Statements

i) Income statement and cash flows

US$'000	Note	Period ended 31 March 2014	Period ended 31 March 2013
Operating Expenditures		178	305
Loss before income tax		**(178)**	**(305)**
Loss on disposal of assets		(5)	-
Impairment of intangible assets		-	(4,613)
Income tax expense		-	
Loss for the period from discontinued operations		**(183)**	**(4,918)**
Cash flows from discontinued operations			
Used in Operations	22	(178)	(293)
Change in working capital	22	(33)	(134)
	26	**(211)**	**(427)**

ii) Assets and Liabilities of Discontinued Operations

US$'000	Period ended 31 March 2014	Period ended 31 March 2013
Cash	1	3
Current Assets	-	4
Plant and Equipment	-	6
Total Assets of discontinued operations	**1**	**13**
Accounts Payable and accruals	-	38
Total Liabilities of discontinued operations	**-**	**38**

25) 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. The acquisition was made to obtain SSOAB's only significant assets: its title to six exploration licenses in Sweden, located in Örebro County.

URU paid the vendors USD 300,000 and issued 17 million ordinary shares as consideration to the vendors for the purchase of SSOAB. An additional 2.5 million ordinary shares, plus a cash payment of USD 25,000, were paid as a finder's fee on the transaction. A deferred payment of USD 200,000 will be paid by URU to the vendors upon the completion of the first exploration drill programme on the property in the future. The agreement has not specified a drilling timetable; management's best estimate is that it will be on or about three years after acquisition (i.e. May 2016), although the drilling would be contingent on the Group's cash position. Coincident with the deferred payment will be a return to the purchasers of cash and equivalents in the company at transfer of SEK 132,000 (USD 21,000 at date of purchase). The payment terms offer a reduction to the extent of any claims for pre-acquisition liabilities not previously disclosed by the seller and identified by URU within one year of purchase, provided that any one claim is greater than USD 10,000 and the claims in aggregate are greater than USD 100,000.

Notes to the Consolidated Financial Statements

The contingent consideration of USD 221,000 (comprising a purchase cost of USD 200,000 plus a return of assets of USD 21,000) has been discounted and recognized at fair value of USD 141,000 at issue, and will be amortized over the period to payment using the effective interest method:

	As at 31 March 2014	As at 31 March 2013
Opening Balance	-	-
Amount recognised	141	-
Accretion	19	-
Closing Balance	160	-

As the Company owns all of SSOAB's outstanding ordinary shares, the Company has control over SSOAB as defined in *IFRS 10, Business Combinations*. However, the Group has treated the transaction as a purchase of assets, as SSOAB does not meet the definition of a "business" as set out in IFRS 3. As it was not a business combination, transaction costs have been capitalised, and, as the transaction affected neither accounting nor taxable profit, deferred taxes do not arise.

The following table summarises the consideration paid for SSOAB, and the amounts of the assets acquired at the acquisition date:

Consideration	**Note**	**USD '000s**
Cash		300
Cash-based acquisition costs		161
Total Cash-based costs		461
Shares issued to vendor		582
Shares issued as part of acquisition costs		85
Contingent consideration		141
Total Consideration	**9**	**1,269**
Exploration Licenses		1,269
Recognized amounts of identifiable assets assumed		**1,269**

26) Purchase of Southern Africa Nickel Limited ("SAN Ltd")

Purchase

On 25 November 2013, the Company announced that it had acquired all the outstanding ordinary shares of SAN Ltd, a private company incorporated in the BVI, from two private companies.

The acquisition was the first of a two-part plan to gain control of SAN Ltd's interests in various mineral prospecting rights in South Africa. SAN Ltd had been party to two joint ventures in South Africa: a putative (see Note 28a) 74% interest in the Zebediela licenses, and, in a 50/50 ownership with URU, a 50% interest in the Burgersfort project (see Note 10 in both cases). The terms of the purchase agreement stipulated that URU's joint venture with SAN Ltd would be terminated upon purchase. As a result, URU now owns 100% of SAN Ltd, which in turn owns a putative 74% interest in the Zebediela licenses and a 50% interest in the Burgersfort project. The dispute between SAN Ltd and the holders of the Zebediela licenses was terminated after year-end with the completion of the second part of the plan, which is set out in Note 28a.

URU paid consideration of USD 218,000, consisting of ZAR 1,907,977 (USD 187,000) to one of SAN Ltd's debtors, plus an additional USD 34,000 in purchase costs,

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Accounting Treatment of SAN Ltd.

As the Company owns all of SAN Ltd's outstanding ordinary shares, the Company has control over SAN Ltd as defined in *IFRS 10, Business Combinations*. However, Group has treated the transaction as a purchase of assets as SAN Ltd does not meet the definition of a "business" as set out in IFRS 3. As it was not a business combination, transaction costs have been capitalised, and, as the transaction affected neither accounting nor taxable profit, deferred taxes do not arise.

Accounting Treatment of SAN Ltd Acquisition.

The following table summarises the consideration paid for SAN Ltd, and the preliminary allocation to the assets acquired at the acquisition date:

Consideration	USD '000s
Cash paid to third party	184
Cash-based acquisition costs	34
Total Consideration	218
Receivable from former owner	9
Exploration Licenses	209
Recognized amounts of identifiable assets assumed	218

27) Interest in Other Entities

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 2014 %	31 March 2013 %
Niger Uranium Societe Anonyme ("NUSA")		Niger	100	100
8373825 Canada Inc ("Nueltin")		Canada	100	100
Svenska Skifferoljeaktiebolaget ("SSOAB")		Sweden	100	-
Southern Africa Nickel Ltd ("SAN Ltd")		South Africa	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

As the Company owns all of the issued ordinary shares of its investee company, the investee companies meet the definition of control as set out in *IFRS 10, Consolidated Financial Statements.*

The Company advanced the following amounts to its subsidiaries to fund their activities:

USD '000	31 March 2014	31 March 2013
NUSA	211	440
Nueltin	210	-
SSOAB	123	-
SAN Ltd	109	-
Total	653	440

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No advances were made between any of the Company's subsidiaries in either 2014 or 2013.

28) Events after the reporting date

a) Purchase of Umnex Minerals Limpopo Pty ("UML") and end of arbitration

In November 2013, the Company acquired 100% interest in SAN Ltd as set out in Note 26. SAN Ltd in turn had a 74% interest in a joint operation (the "SAN-Umnex Joint Venture"). The remaining 26% was held by Umnex Mineral Holdings Pty ("UMH"), which had putative title to the Zebediela licenses through its subsidiary, Umnex Minerals Limpopo Pty ("UML"). SAN Ltd and UMH had been in dispute since 2011, and arbitration had begun in August 2013. As a result of this arbitration, in fiscal 2013 the Company had provided in full for the costs of the Zebediela project (USD 1,821,000). The reversal of the impairment will be assessed once the title to the licences has been completely transferred to the Group.

Purchase

On 10 April 2014, SAN Ltd and UMH agreed that SAN Ltd would purchase 100% of UML from UMH for consideration of 33,194,181 in new URU shares, issued in two tranches as follows:

Tranche	Date of issue	%age acquired	Shares	Price, pence	Value, USD	Conditions
First tranche	17 April 2014	49.0%	16,563,896	1.83	508,180	Free from trading restrictions
Second tranche	24 April 2014	51.0%	16,630,285	1.75	489,076	Lock-in agreement under which 3,326,057 shares will be released from lock-in at quarterly intervals
			33,194,181		997,256	

The Zebediela Nickel Project extends over three separate mining titles in the Limpopo Province. As at the date of acquisition, title to all three rights were held by parties unrelated to UML, and transfer of the rights to UML's subsidiary Lesogo Platinum Uitloop Pty ("LPU") had not been completed. The timing of the transfer is uncertain and regulatory approval of the transfer remains outstanding.

Under the Heads of Terms agreement, UMH is permitted to return the shares and take back the licenses should URU:

- fail to maintain adequate cash funds to meet its general and project expenditure obligations, or
- fail to meet the purchased rights' minimum statutory expenditure obligations, or
- raise equity capital at a valuation of below 1.5 pence per share

As at 29 September 2014, the "general and project expenditure obligations" and the "minimum statutory expenditure obligations" of the general and project expenditure obligations has not been determined.

Treatment as a non-adjusting Subsequent Event

The agreement between SAN Ltd and UMH specifies that the arbitration between SAN Ltd and UMH was terminated when the first shares are delivered, which took place on 17 April 2014. SAN Ltd obtained control over UML on 24 April 2014, when the second tranche was issued. Both the end of arbitration and control over UML thus took place after year-end.

Accordingly, the end of the arbitration is a non-adjusting subsequent event, i.e. one that is "indicative of conditions that arose after the reporting period". The arbitrator did not come to a resolution (which would have suggested the provision of "evidence of conditions that existed at the end of the reporting period", which in turn would have been an adjusting event), but rather that the arbitration was terminated by

Notes to the Consolidated Financial Statements

mutual consent when the first tranche of shares were delivered to UMH. The first share transfer took place after year-end, and it follows that the resolution of the arbitration (which is predicated on the share transfer) only related to conditions that took place after year-end.

Accounting Treatment of the UML purchase

As the Company owns all of UML's outstanding ordinary shares, the Company has control over UML as defined in *IFRS 10, Business Combinations*. However, as UML does not meet the definition of a "business" as set out in IFRS 3, the Group has treated the transaction as a purchase of assets. As it was not a business combination, transaction costs have been capitalised, and, as the transaction affected neither accounting nor taxable profit, deferred taxes do not arise.

The following table summarises the preliminary assessment of consideration paid for UML, and the amounts of the assets acquired at the acquisition date:

Consideration	USD '000s
Value of shares issued	997
Value of bonus shares awarded	225
Cash-based acquisition costs	127
Preliminary Consideration	1,349

Additionally, conditional consideration of 12,000,000 free-trading shares is payable if either 1) a transaction is consummated by URU to sell, farm-out, or similarly dispose of any portion of a mineral project on some or all of the mining titles, or 2) a mining right is obtained from the South African Department of Mines and Resources in respect of some or all of the rights, or 3) an effective change of control of URU occurs.

As at the reporting date, final details of the purchase agreement surrounding UML's existing liabilities to its former owners have not been resolved, and accordingly the calculation of recognized amounts of identifiable assets assumed cannot be completed.

b) Appointment of new CEO

On 18 December 2013, the Company announced the resignation of Mr. Lemaitre, effective 10 January 2014. On 2 June 2014, the Company announced the appointment of Mr John Zorbas as Chief Executive Officer (a non-Board appointment). Mr Zorbas' appointment was approved by the Board on 14 July 2014.

c) Changes in Advisors

On 22 May 2014, URU announced the appointment of Northland Capital Partners Limited as the Company's Nominated Adviser ("Nomad") and Broker with immediate effect.

d) Issuance of Shares to Fund Operations

On 2 May 2014, the Company announced the placing of 54,333,334 new shares at a price of 1.5 pence per share for a total of GBP 815,000. Of the total, 19,283,335 shares were issued to Niketo Co Ltd, a company wholly owned by NWT Uranium, the Company's largest shareholder, bringing NWT's investment in URU to 30.83%.

Notes to the Consolidated Financial Statements

e) Issuance of Shares to Related Parties

On 1 May 2014, the Board approved the issuance of shares as follows:

Party	Relationship	Number of shares
D. Subotic	Director	3,000,000 (1)
J. Vieira	Director	2,000,000
Algena Holdings	Controlled by John Zorbas, now CEO	3,000,000
Total		8,000,000

The shares were issued in recognition for work done to complete the Zebediela acquisition, and dealing with other matters in the Group following the resignation of the former CEO of URU in December 2013, which required a significant amount of work, over and above that usually required of Non-Executive Directors, and which was not further remunerated.

(1) Of the 3 million shares awarded to Mr. Subotic, 900,000 were simultaneously gifted by him to unrelated parties.

f) Issuance of Options

On 22 May 2014, the company awarded a total of 8,500,000 options to directors and contractors:

Party	Relationship	Number of shares
David Subotic	Director	3,000,000
Jay Vieira	Director	2,000,000
Algena Holdings	Controlled by John Zorbas, now CEO	3,000,000
WH Ireland	Outgoing Nomad	500,000
Total		8,500,000

The options vest immediately, may not be exercised later than 23 May 2017, and are exercisable at 2 pence per share.

g) Extension of Cameco Agreement

On 28 August 2014, the Group received confirmation from Cameco that the original term had been extended through to 31 December 2016.

29) Related party disclosure

Transactions with key management personnel

During the year ended 31 March 2014, share options totalling nil (2013: 3,250,000) were issued to Directors of the Company at an exercise price of nil (2013: GBP 0.03 each). The options were granted under recommendation of the Remuneration Committee.

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.

Notes to the Consolidated Financial Statements

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

	Balance at 31 March 2013	Granted during the period	Forfeited, cancelled or expired during the period	Balance at 31 March 2014	Allocated price of options on hand at 31 March 2014 (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	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							
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							
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
J. Lynch	500,000	-	(500,000)	-	0.07000	21 Feb 12	21 Feb 22
	8,600,000	-	(4,000,000)	4,600,000			

Subsequent to year-end, as set out in Notes 28d, 28e, and 28f, Options and Shares were issued to Mr Zorbas, Mr Lemaitre's successor as CEO.

(ii) Directors' remuneration

Director and Executive remuneration is made on terms equivalent to those that prevail in arm's length transactions.

USD 000s	Fees for Service	Short term employee benefits	Share-based payment expense	Total
Executive Directors:				
R. Lemaitre (resigned, 10 Jan 2014)	14	163	11	188
Non-Executive Directors				
J. Vieira	17	-	-	17
D. Subotic	19	-	-	19
Total for the year ended 31 March 2014	50	163	11	224
Total for the year ended 31 March 2013	161	201	165	527

Mr Lemaitre resigned and waived his notice period. Accordingly, the Company was only liable for payment of accrued vacation. The Board has confirmed that his options will remain in force for 18 months from the date of his resignation, i.e. until June 2015.

Notes to the Consolidated Financial Statements

Transactions with Shareholders

In February 2014, the Company signed a lease with its majority shareholder, NWT Uranium ("NWT") based on the square footage it uses in NWT's office space. The monthly rent is CAD 1,850; the lease runs through to 31 March 2015, and will be settled from time to time with NWT as URU's finances permit.

Corporate Directory

Registered number	1405944 - Registered in British Virgin Islands	
Directors	David Subotic Jay Vieira	Chairman, Non-Executive Director Non-Executive Director
Senior Management	John Zorbas	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 M5H 2C9	
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	Northland Capital Partners Limited 131 Finsbury Pavement London, England EC2A 1NT	
Joint Broker	Beaufort Securities Limited 131 Finsbury Pavement London, England EC2A 1NT	
Registrars	Computershare Investor Services (Channel Islands) Ltd PO Box 83 Ordnance House, 31 Pier Road St Helier JE4 8PW Channel Islands	
Principal bankers	Scotiabank 40 King St. W. 2nd Mezzanine, Toronto, ON M5H 1H1	

September 29, 2014

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 statements of financial position as at March 31, 2014 and March 31, 2013 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, 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 (IFRS), 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 audits. We conducted our audits in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audits 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 audits is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers LLP
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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of URU Metals Limited and its subsidiaries as at March 31, 2014 and March 31, 2013 and their financial performance and their cash flows for the years then ended in accordance with IFRS.

Yours truly,

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants