URU METALS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2016 AND 2015
(EXPRESSED IN UNITED STATES DOLLARS)

September 29, 2016

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, 2016 and March 31, 2015 and the consolidated statements of loss, comprehensive loss, cash flows and changes in equity 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, 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 Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained in our 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, 2016 and March 31, 2015 and their financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

URU Metals Limited
Consolidated Statements of Financial Position
(Expressed in thousands of United States Dollars)

	As at March 31, 2016	As at March 31, 2015
ASSETS		
Non-current assets		
Intangible assets (note 8)	**$ 2,857**	$ 4,039
Long-term prepaid assets	**41**	-
Total non-current assets	**2,898**	4,039
Current assets		
Receivables (note 9)	**171**	2
Cash and cash equivalents	**484**	574
Total current assets	**655**	576
Total assets	**$ 3,553**	$ 4,615
EQUITY AND LIABILITIES		
Equity		
Share capital and premium (note 10)	**$ 50,476**	$ 49,950
Shares to be issued (note 19)	**31**	-
Reserves (note 11)	**1,281**	1,342
Accumulated deficit	**(48,831)**	(47,198)
Total equity	**2,957**	4,094
Current liabilities		
Trade and other payables (note 12)	**596**	379
Total liabilities	**596**	379
Non-current liabilities		
Contingent consideration on SSOAB purchase (note 13)	**-**	142
Total liabilities	**596**	521
Total equity and liabilities	**$ 3,553**	$ 4,615

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

Nature of operations and going concern (note 2) Commitment (note 18)

Approved on behalf of the Board:

"David Subotic", Chairman

"Jay Vieira", Director

URU Metals Limited
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in thousands of United States Dollars)

	Year ended March 31, 2016	Year ended March 31, 2015
Administrative expenses	**$ (630)**	$ (978)
Operating loss before the following items	**(630)**	(978)
Financing costs	**(21)**	(29)
Impairment of intangible assets and derecognition of contingent consideration (notes 8 and 13)	**(982)**	(122)
Net loss for the year	**(1,633)**	(1,129)
Other comprehensive loss		
Items that will be reclassified subsequently to income		
Effect of translation of foreign operations	**(61)**	(632)
Other comprehensive loss for the year	**(61)**	(632)
Total comprehensive loss for the year	**$ (1,694)**	$ (1,761)
Basic and diluted net loss per share (USD cents)	**$ (0.60)**	$ (0.51)
Weighted average number of common shares outstanding	**270,763,658**	221,082,634

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

URU Metals Limited
Consolidated Statements of Cash Flows
(Expressed in thousands of United States Dollars)

	Year ended March 31, 2016	Year ended March 31, 2015
Operating activities		
Net loss for the year	**$ (1,633)**	$ (1,129)
Items not involving cash:		
Share-based payments	**-**	98
Depreciation	**-**	8
Interest accretion on long-term liability	**21**	29
Gain on fair value adjustment on long-term liability	**(163)**	(43)
Shares issued for professional fees	**-**	87
Unrealized foreign exchange (gain)/loss	**40**	(64)
Impairment of intangible assets	**1,145**	166
Changes in non-cash working capital items:		
(Increase) decrease in receivables	**(145)**	114

Increase (decrease) in trade and other payables		**240**		45
Net cash used in operating activities		**(495)**		(689)
Investing activities				
Capitalisation of exploration costs		**(56)**		(116)
Cash paid to acquire UML		**-**		(32)
Net cash used in investing activities		**(56)**		(148)
Financing activities				
Proceeds from private placement, net of transaction costs		**464**		1,117
Net cash provided by financing activities		**464**		1,117
Gain on exchange rate changes on cash and cash equivalents		**(3)**		54
Net change in cash and cash equivalents		**(90)**		334
Cash and cash equivalents, beginning of year		**574**		240
Cash and cash equivalents, end of year	**$**	**484**	$	574

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

URU Metals Limited
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in thousands of United States Dollars)

Equity attributable to shareholders

	Share Capital	Share Premium	Shares to be Issued	Share Option Reserve	Foreign Currency Translation Reserve	Accumulated Deficit	Total
Balance, March 31, 2014	**$ 1,328**	**$ 46,196**	**$ -**	**$ 2,209**	**$ (333)**	**$ (46,069)**	**$ 3,331**
Shares issued for acquisition of UML	412	810	-	-	-	-	1,222
Shares issued in private placement	543	831	-	-	-	-	1,374
Shares issued for professiona l service	7	7	-	-	-	-	14
Transaction costs incurred for private placement	-	(184)	-	-	-	-	(184)
Share-based payment		-	-	98	-	-	98
Net loss and		-	-	-	(632)	(1,129)	(1,761)

(Expressed in United States Dollars Except As Otherwise Indicated)

comprehensive loss for the year							
Balance, March 31, 2015	**$ 2,290**	**$ 47,660**	**$ -**	**$ 2,307**	**$ (965)**	**$ (47,198)**	**$ 4,094**
Shares issued in private placement	900	(344)	31	-	-	-	587
Shares issued for professional service	50	(19)	-	-	-	-	31
Transaction costs incurred for private placement	-	(61)	-	-	-	-	(61)
Net loss and comprehensive loss for the year	-	-	-	-	(61)	(1,633)	(1,694)
Balance, March 31, 2016	**$ 3,240**	**$ 47,236**	**$ 31**	**$ 2,307**	**$ (1,026)**	**$ (48,831)**	**$ 2,957**

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

1. General information

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 May 21, 2007. The Company’s shares were admitted to trading on AIM, a market operated by the London Stock Exchange on September 12, 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 consolidated financial statements of the Company as at and for the year ended March 31, 2016 comprise the Company and its subsidiaries. These consolidated financial statements (including the notes thereto) of the Company were approved by the Board of Directors on September 29, 2016.

2. Nature of operations and going concern

During the year ended March 31, 2016, the Company's principal business activities were the exploration and development of mineral properties in South Africa and Sweden.

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 in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern which contemplates that the Company will be able to realize its assets and settle its liabilities in the normal course as they come due for the foreseeable future. As of March 31, 2016 the Company has no source of revenues or operating cash flows, incurred losses of $1,633,000 for the year ended March 31, 2016, has accumulated losses of $48,831,000 (March 31, 2015 - $47,198,000) and expects to incur further losses in the development of its business. Management is aware, in making its assessment to continue as a going concern, of material uncertainties related to events or conditions that may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon the Company obtaining additional equity or debt financing and/or new strategic partners. There is no assurance that management will be successful in obtaining such financings and this may result in the Company not meeting its operational and capital requirements.

These consolidated financial statements do not include any adjustments or disclosures that may result should the Company not be able to continue as a going concern. If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the expenses, the reported comprehensive loss and financial position classifications used that would be necessary if the company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. These adjustments could be material.

As part of the Company's normal procedures, the Board and management continually evaluate the going concern premise and as an exploration company, 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.

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.

(b) Basis of measurement

The annual consolidated financial statements have been prepared on a historical cost basis convention, as modified by the revaluation of certain financial assets and liabilities at fair value through profit and loss.

(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"). Similarly, the Group reports its results in a specified currency (the "presentation currency"). The functional and presentation currencies (with their abbreviation defined in note 5) are set out in the table below:

	March 31, 2016	
	Functional	Presentation
Group	-	USD
Subsidiaries:		
URU Metals Limited ("URU")	CAD	-
Niger Uranium Societe Anonyme ("NUSA")	CFA	-
8373825 Canada Inc. ("Nueltin")	CAD	-
Svenska Skifferoljeaktiebolaget ("SSOAB")	SEK	-
Southern Africa Nickel Ltd. ("SAN Ltd")	USD	-
Umnex Minerals Limpopo Pty ("UML")	USD	-
Lesogo Platinum Uitloop Pty ("LPU")	USD	-

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.

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

3. Basis of preparation (continued)

(d) Critical estimates and judgments

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 recognized 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 recognized in the consolidated financial statements are included in the following Notes:

Note 3 (c) Determination of Functional currency
Note 8 Valuation of Intangible assets
Note 11 Measurement of share options
Note 13 Contingent consideration
Note 18 Completeness of Contingent liabilities and commitments

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 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.

Any contingent consideration to be transferred by the group is recognized 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 recognized in accordance with IAS 39 either in loss or other comprehensive loss.

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

4. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

Joint arrangements, joint operations and joint ventures

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

Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealized 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 recognized in consolidated statement of 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 recognized in consolidated statement of loss.

ii) Foreign operations

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

Foreign currency differences are recognized directly in other comprehensive income and such differences have been recognized 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 recognized directly in other comprehensive income in the FCTR.

4. Significant accounting policies (continued)

(c) Exploration costs and 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 consolidated statement of loss.

Exploration and evaluation assets shall be assessed for impairment at each reporting period in accordance with IFRS 6, and any impairment loss is recognized in the consolidated statement of loss.

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

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

(d) 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 and other short-term highly liquid investments with original maturities of three months or less.

(e) Financial instruments

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

(i) Financial assets and financial liabilities

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

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

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.

4. Significant accounting policies (continued)

(e) Financial instruments (continued)

(i) Financial assets and financial liabilities (continued)

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.

Other financial liabilities

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

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

(ii) Derecognition of financial assets and financial liabilities

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.

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

(iii) Offset

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position 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.

(f) Impairment of assets

(i) Financial assets

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

An impairment loss in respect of a financial asset measured at amortized 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 recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized. When an event occurring after the impairment was recognized causes the amount of impairments loss to decrease, the decrease in impairment loss is reversed through the consolidated statement of loss.

4. Significant accounting policies (continued)

(f) Impairment of assets (continued)

(ii) Non-financial assets

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

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

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

Impairment losses recognized 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 amortization, if no impairment loss had been recognized.

(g) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the consolidated statement of loss except to the extent that it relates to items recognized 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 recognized 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 recognized 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 recognized 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 realized simultaneously.

A deferred tax asset is recognized 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 utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(h) Financing cost

Financing costs relate to the accretion of the discount of the contingent consideration on SSOAB purchase over the period to payment using the discounted cash flow calculation.

4. Significant accounting policies (continued)

(i) 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.

(j) 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.

(k) 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 recognized 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 recognizes the impact of the revision of original estimates, if any, in consolidated statement of loss, with a corresponding adjustment to equity.

4. Significant accounting policies (continued)

(l) New accounting standards issued but not yet effective

IFRS 9 – Financial Instruments: Classification and Measurement ("IFRS 9")

IFRS 9 was issued in November 2009, and will replace IAS 39 - Financial Instruments: Recognition and Measurement. IFRS 9 is effective for periods beginning on or after January 1, 2018. The Company is evaluating the impact of the amendments on its consolidated financial statements, although currently they are not expected to have a material impact.

IAS 1 – Presentation of Financial Statements (“IAS 1”)

On April 1, 2016, the Company implemented certain amendments to IAS 1, which clarify guidance on the concepts of materiality and aggregation of items in the financial statements, the use and presentation of sub totals in the statement of operations and the statement of comprehensive income or loss, and which provide additional flexibility in the structure and disclosures of the financial statements to enhance understandability. The implementation of amendments to IAS 1 is not expected to have any impact to the Company’s March 31, 2016 Consolidated Financial Statements

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (2011) (“IAS 28”)

The Company implemented certain amendments to IFRS 10 and IAS 28 on April 1, 2016. These amendments relate to the sale or contribution of assets bet ween an investor and its associate or joint venture and require the recognition of a full gain or loss when a transaction involves a business, whereas a partial gain or loss is recognized when a transaction involves assets that do not constitute a business. The implementation of amendments to IFRS 10 and IAS 28 had no impact to the Company's March 31, 2016 Consolidated Financial Statements.

IFRS 11 – Joint Arrangements" ("IFRS 11") Amendments to IFRS 11 address how a joint operator should account for the acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business and requires that such transactions be accounted for using the principles related to business combinations accounting as outlined in IFRS 3, " Business Combinations ". The Company implemented the amendments to IFRS 11 effective April 1, 2016. The implementation of amendments to IFRS 1 1 had no impact to the Company's March 31, 2016 Consolidated Financial Statements .

IAS 16 – Property, Plant and Equipment" ("IAS 16 ") and IAS 38 – Intangible Assets ("IAS 38")

On April 1, 2016, the Company implemented amendments to IAS 16 and IAS 38 , which eliminate d the use of a revenue - based depreciation method for items of property, plant and equipment and eliminate d the use of a revenue - based amortization model for intangible assets except in certain specific circumstances. The implementation of amendments to IAS 1 6 and IAS 38 had no impact to the Company's March 31, 2016 Consolidated Financial Statements.

4. Significant accounting policies (continued)

(l) New accounting standards issued but not yet effective (continued)

IFRS 16 - Leases

Effective for annual periods beginning on or after 1 January 2019. The scope of IFRS 16 includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17 - Leases ("IAS 17"). The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. Management believes that IFRS 16 will not have any impact on these financial statements as all current are low value leases.

5. Financial instruments

Fair value determination

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The Company has no financial instruments carried at fair value as at March 31, 2016, other than the contingent payment on acquiring SSOAB (as defined in note 13). This is a level 3 financial liability as determined based on management's expected time to settle the obligation and management's estimated discount rate used.

Financial risk management

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to the Company's cash and cash equivalents and other receivables. The Company has no allowance for impairment that might represent an estimate of incurred losses on other receivables. The Company has cash and cash equivalents of $484,000 (March 31, 2015 - $574,000), which represent the maximum credit exposure on these assets. As at March 31, 2016, the majority of the cash and cash equivalents were held with a major Canadian chartered bank from which management believes the risk of loss to be minimal.

5. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 Company's reputation.

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

The following are the contractual maturities of financial liabilities:

(In thousands of United States Dollars)	amount	cash flows	or less	6 months years
March 31, 2016				
Trade and other payables	$ 596	$ 596	$ 596	$ -
March 31, 2015				
Trade and other payables	$ 379	$ 379	$ 379	$ -

Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's loss or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company does not apply hedge accounting in order to manage volatility in statements of loss.

Foreign currency rate risk

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

The Company does not hedge its exposure to currency risk.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company'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.

5. Financial instruments (continued)

Market risks (continued)

Foreign currency rate risk (continued)

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

(In thousands of United States Dollars)	USD	GBP	SEK	CAD	Total
March 31, 2016					
Cash and cash equivalents	$ 10	$ 463	$ 4	$ 7	$ 484
Receivables	-	-	-	171	171
Trade and other payable	-	(139)	(78)	(379)	(596)
March 31, 2015					

Cash and cash equivalents	$ 17	$ 537	$ 5	$ 15	$ 574
Receivables	-	-	2	-	2
Trade and other payable	-	(136)	(13)	(230)	(379)

Interest rate risk

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

Sensitivity analysis

A 10% strengthening of the USD against the following currencies at March 31, 2016 would have increased/(decreased) equity and profit or loss by the amounts shown below. This was determined by recalculating the USD balances held using a 10% greater exchange rate to the USD. This analysis assumes that all other variables, in particular interest rates, remain constant.

	March 31, 2016		**March 31, 2015**	
(In thousands of United States Dollars)	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
GBP	**$ -**	**$ (32)**	$ -	$ (40)
CAD	**$ -**	**$ 23**	$ -	$ 28
SEK	**$ -**	**$ 7**	$ -	$ 3

6. Capital risk management

The Company includes its share capital and premium, reserves and accumulated deficit as capital. The Company’s objective is to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In light of economic changes and with the risk characteristics of the underlying assets, the Company manages the capital structure and makes adjustments to it. As the Company has no cash flow from operations and in order to maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt and/or find a strategic partner. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The Company prepares annual expenditure budgets to facilitate the management of its capital requirements and updates them as necessary depending on various factors such as capital deployment and general industry conditions. The Company’s investment policy is in highly liquid, short-term interest-bearing investments with short maturities. During the year ended March 31, 2016, there were no changes in the Company's approach to capital management.

7. Purchase of Umnex Minerals Limpopo Pty (“UML”)

In November 2013, the Company acquired 100% interest in Southern Africa Nickel Limited ("SAN Ltd."). SAN Ltd in turn had a 74% interest in a joint operation (the “SAN-Umnex Joint Venture”). The remaining 26% was held by Umnex Mineral Holdings Pty (“UMH”), which had title to the Zebediela licences through its subsidiary, UML. 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 Company.

On April 10, 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 Metals shares and 8,000,000 bonus shares issued to directors and officers for their services in the acquisition of UML.

The Zebediela Project extends over three separate mining titles in 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 terms of the acquisition agreement, UMH is permitted to return the shares and take back the licences should URU Metals:

- 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 in the financing immediately after the acquisition

As at March 31, 2016, the "general and project expenditure obligations" and the "minimum statutory expenditure obligations" of the general and project expenditure obligations had not been determined. The financing the Company completed during the year ended March 31, 2016 (note 10) does not impact URU's ownership of the project.

The acquisition does not meet the definition of a "business" as set out in IFRS 3, and the Company has treated the transaction as a purchase of assets. As it was not a business combination, transaction costs have been capitalized, and as the transaction affected neither accounting nor taxable profit, deferred taxes do not arise.

7. Purchase of Umnex Minerals Limpopo Pty (“UML”) (continued)

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

Consideration		**USD '000s**
Value of shares issued	$	996
Value of bonus shares issued		226
Cash-based acquisition costs		126
	$	1,348

Identifiable net assets acquired

Intangible assets	$ 1,348
	$ 1,348

Of the consideration paid, $95,000 was incurred and capitalized to intangible assets in the year ended March 31, 2014.

Additionally, conditional consideration of 12,000,000 free-trading shares is payable if either 1) a transaction is consummated by URU Metals 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 Metals occurs. As at March 31, 2016, none of the above conditions have occurred.

8. Intangible assets

(In thousands of United States Dollars)

Exploration costs

COST	**South African Projects**	**SSOAB**	**Nueltin**	**Total**
Balance, March 31, 2014	**$ 3,976**	**$ 1,438**	**$ 175**	**$ 5,589**
Acquired (1)(i)	1,254	-	-	1,254
Foreign exchange	(440)	(453)	(22)	(915)
Additions	5	111	-	116
Impairment	-	-	(153)	(153)
Balance, March 31, 2015	**4,795**	**1,096**	**-**	**5,891**
Foreign exchange	(133)	34	-	(99)
Additions	-	56	-	56
Transfer to long-term prepaid assets (2)	-	(41)	-	(41)
Impairment	-	(1,145)	-	(1,145)
Balance, March 31, 2016	**$ 4,662**	**$ -**	**$ -**	**$ 4,662**

ACCUMULATED AMORTIZATION AND IMPAIRMENT	**South African Projects**	**SSOAB**	**Nueltin**	**Total**
Balance, March 31, 2014	**$ (2,088)**	**$ -**	**$ -**	**$ (2,088)**
Foreign exchange	236	-	-	236
Balance, March 31, 2015	**(1,852)**	**-**	**-**	**(1,852)**
Foreign exchange	47	-	-	47
Balance, March 31, 2016	**$ (1,805)**	**$ -**	**-**	**$ (1,805)**

CARRYING VALUE	**South African Projects**	**SSOAB**	**Nueltin**	**Total**
Balance, March 31, 2015	**$ 2,943**	**$ 1,096**	**$ -**	**$ 4,039**

(Expressed in United States Dollars Except As Otherwise Indicated)

Balance, March 31, 2016	**$ 2,857**	**$ -**	**$ -**	**$ 2,857**

8. Intangible assets (continued)

(1) The Company made a fair value allocation between Burgersfort properties and Zebediela properties and the entire SAN Ltd. acquisition fair value was related to Zebediela properties.

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

(i) The intangible assets acquired from UML were capitalized as additions to South African Projects.

SSOAB Licences

SSOAB (as defined in note 13) had 100% ownership of several exploration licences near the town of Örebro, Sweden. The Swedish licences are considered to be a single project, and thus to be one CGU. During the year ended March 31, 2016, due to the continued decline of the prices of oil and uranium, the Company decided not to pursue the continued development of SSOAB properties and therefore determined that the recoverable amount of the intangibles under SSOAB properties is the value in use of the properties which was estimated to be $nil. The Company recorded $1,145 impairment of intangible assets in the consolidated statements of loss and comprehensive loss for the year ended March 31, 2016. Subsequent to year end, the Company has allowed its licenses to lapse.

Nueltin Licence

Nueltin was party to an option agreement with Cameco Corporation ("Cameco"), the holder of a licence located in the Nunavut Territory of Canada. Under the agreement, the Company could earn 51% interest in the project from Cameco in return for exclusively funding CDN$2.5 million in exploration expenditures by December 31, 2016. The Cameco project was considered to be one CGU. During the year ended March 31, 2015, the Company wrote off the Nueltin Licence in an amount $153,000 as the Company had no plan to pursue the project in Nunavut Territory.

South African Projects

On 5 October 2010, the Company announced that it had entered into a joint venture (the "SAN-URU Joint Venture") with SAN Ltd, the joint owner and current developer of a portfolio of large nickel projects in Southern Africa. Under the agreement, the Company committed to provide funding to the SAN-URU Joint Venture of, in aggregate, up to 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 Company 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”).

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 Company or SAN Ltd. and did not increase the Company's original committed contribution to the SAN-URU Joint Venture of $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 Ltd.'s favour - the effective interest of each party in the SAN-URU Joint Venture would have been URU Metals 45%, SAN Ltd. 40%, and Umnex 15%.

8. Intangible assets (continued)

South African Projects (continued)

In fiscal 2013, a dispute arose between SAN Ltd. 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 Ltd. 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 licence 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 Metals was never party to the dispute between SAN Ltd and Umnex. As at March 31, 2013, URU Metals had fulfilled all of its obligations under that separate agreement. URU Metals was in active discussions between Umnex and SAN Ltd to facilitate a resolution to the dispute. 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 Metals acquired 100% of the shares of SAN Ltd in November 2013.

The arbitration was ultimately settled as a condition of URU Metals's acquisition in April 2014 of the Umnex subsidiary which held the Zebediela licences.

Accounting treatment of SAN-URU Joint Venture (the Burgersfort properties).

With URU's acquisition of SAN Ltd during the year ended March 31, 2014, the SAN-URU Joint Venture was dissolved, and SAN Ltd obtained ownership of the JV's 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, with BSC Resources as the other party to the arrangement.

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. Accordingly, at March 31, 2014, SAN Ltd's interest in Zebediela remained a Farm-in Agreement, and the Company capitalised

100% of the costs it incurred in relation to the SAN-Umnex Joint Venture to the extent that the costs were directly related to exploration and evaluation activities.

On April 10, 2014, SAN Ltd. and UMH agreed that SAN Ltd. would purchase 100% of UML from UMH for consideration, thereby dissolving the SAN-Umnex Joint Venture (note 7).

9. Receivables

(In thousands of United States Dollars)	As at March 31, 2016	As at March 31, 2015
Other receivables	**$ 171**	$ 2

10. Share capital and premium

(In thousands of United States Dollars except number of shares)

	Number of shares	Share capital	Share premium	Total
Balance, March 31, 2014	132,776,722	$ 1,328	$ 46,196	$ 47,524
Shares issued for acquisition of UML (note 7)	41,194,181	412	810	1,222
Shares issued in private placement (i)	54,333,334	543	831	1,374
Shares issued for professional service (ii)	656,142	7	7	14
Transaction costs incurred for private placement	-	-	(184)	(184)
Balance, March 31, 2015	228,960,379	$ 2,290	$ 47,660	$ 49,950
Shares issued in private placement (iii)	95,000,000	900	(344)	556
Shares issued for professional fees (iii)	5,000,000	50	(19)	31
Transaction costs incurred for private placement	-	-	(61)	(61)
Balance, March 31, 2016	328,960,379	$ 3,240	$ 47,236	$ 50,476

Issued shares

All issued shares are fully paid up.

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

(i) On May 2, 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, the Company's largest shareholder. 8,500,000 of these share were issued in settlement of professional fees owed.

(ii) During the year ended March 31, 2015, the Company issued 656,142 shares to RB Milestone, a consultant, for settlement of professional services provided with a total value of $14,000.

(Expressed in United States Dollars Except As Otherwise Indicated)

(iii) During the year ended March 31, 2016, the Company issued 95 million shares at GBP 0.004 per share for gross proceeds of $525,000 and settlement of CEO salaries, director fees and consulting fees of $62,000 and $31,000 consulting fees were settled against 5 million shares to be issued at GBP 0.004 per share. Transaction costs of $61,000 were incurred for the private placement. The Company's CEO subscribed for 5 million shares in the private placement for settlement of salaries and director fees of $31,000.

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 Company were $nil for the year ended March 31, 2016 (March 31, 2015 - $nil)

11. 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 Company's share options as well as a reconciliation of the number and weighted average exercise price of the Company's share options outstanding on March 31, 2016.

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) Reconciliation of share options outstanding as at March 31, 2016:

Exercise prices (GBP)	Weighted average remaining life (years)	Number of options originally granted	Number exercisable
0.049	4.56	2,633,334	2,633,334
0.020	1.15	8,500,000	8,500,000
0.030	1.95	11,133,334	11,133,334

(ii) Continuity and exercise price

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

	Number	Weighted average exercise price

	of options	per share (GBP)
Balance, March 31, 2014	7,483,334	0.04
Options granted	8,500,000	0.02
Options expired unexercised	(2,850,000)	0.05
Balance, March 31, 2015	13,133,334	0.03
Options expired unexercised	(2,000,000)	0.03
Balance, March 31, 2016	11,133,334	0.03

On May 22, 2014, the Company granted a total of 8,500,000 options to directors and contractors at an exercise price of GBP0.02 per share. The options granted vested immediately upon grant. The fair value of share options granted was $98,067 (GBP58,319) which was expensed during the yar ended March 31, 2015. The fair value of these share options was calculated using the Black Scholes model with the following assumptions:

Risk-free interest rate	1.04%
Expected life (years)	3.0
Expected volatility *	49.62%
Dividend yield per share	Nil
Exercise price	GBP0.02
Share price	GBP0.02

* Expected volatility was determined on the basis of the historical volatility of the Company's common shares during the past three years.

11. Share option reserve (continued)

(b) Warrants

The following is a summary of the Company's warrants granted under its Share Incentive Scheme. As at March 31, 2016, the following warrants, issued in respect of capital raising, had been granted but not exercised:

Name	Date granted	Date vested	Number of warrants	Exercise price (GBP)	Expiry date	Fair value at grant date (GBP)
Beaumont	October 9, 2009	October 9, 2009	100,000	0.345	October 9, 2019	0.345

There were no movements in warrants during the years ended March 31, 2015 or March 31, 2016.

12. Trade and other payables

(In thousands of United States Dollars)	As at March 31, 2016	As at March 31, 2015
Other payables	**$ 300**	$ 105
Accruals	**296**	274

	$ 596	$ 379

13. Contingent consideration on SSOAB purchase

On May 23, 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 licences in Sweden, located in Örebro County.

URU Metals paid the vendors $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 $25,000, were paid as a finder’s fee on the transaction. A deferred payment of $200,000 will be paid by URU Metals to the vendors upon the completion of the first exploration drill program on the property in the future. The agreement had not specified a drilling timetable; management’s best estimate was that it would be on or about three years after acquisition (i.e. May 2016), although the drilling would be contingent on the Company’s cash position. Coincident with the deferred payment would be a return to the purchasers of cash and equivalents in the company at transfer of SEK 132,000 ($21,000 at date of purchase).

As at March 31, 2016, the Company decided not to continue the drilling program and the contingent consideration of $221,000 (comprising a purchase cost of $200,000 plus a return of assets of $21,000) was discounted and de-recognized at fair value of $nil.

(In thousands of United States Dollars) :	**As at March 31, 2016**	**As at March 31, 2015**
Opening balance	**$ 142**	$ 160
Accretion	**21**	29
Dereognition of contingent consideration	**(163)**	(43)
Foreign exchange	**-**	(4)
	$ -	$ 142

14. Related party transactions

(a) Transactions with key management personnel

During the year ended March 31, 2016, no stock options were granted to key management personnel.

During the year ended March 31, 2015, stock options of 8,000,000 were granted to officers and directors of the Company at an exercise price of GBP 0.02 per share.

Details of stock options outstanding granted to directors, management and past directors and management are as follows:

Weighted average	Number of options originally	Expiry

Directors/officers	exercise price (GBP)	granted	date
Directors			
J. Vieira	0.02	2,000,000	May 23, 2017
D. Subotic	0.02	3,000,000	May 23, 2017
Management			
J. Zorbas	0.02	3,000,000	May 23, 2017
		8,000,000	

The former Chief Executive Officer and director R. Lemaitre and former Chief Financial Officer, R. Swarts resigned during the prior two years and the Board of Directors confirmed that their options remained in force until they expire or are unexercised.

(b) Management remuneration

(In thousands of United States Dollars)	Year ended March 31, 2016	Year ended March 31, 2015
Fees for services as director	**$ 36**	$ 45
Basic salary	**236**	114
Share-based payments	**-**	92
Total	**$ 272**	$ 251

Please refer to note 10 (iii) for settlement of CEO salaries and director fees for issuance of shares.

During the year ended March 31, 2016, the Company paid $12,000 to Jay Vieira, one of the directors of the Company for professional services.

15. Loss before income tax

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

(In thousands of United States Dollars)

	Note	March 31, 2016	March 31, 2015
Auditors' remuneration		**$ 79**	$ 96
Directors' fees		**36**	45
Legal fees		**56**	21
Operating lease payments		**32**	62
Depreciation		**-**	7
Foreign exchange loss (gain)			
Realized		**32**	53
Unrealized		**47**	(73)

(Expressed in United States Dollars Except As Otherwise Indicated)

Staff remuneration			
Share options expensed - Directors (equity settled)	11a	**-**	98
Share options expensed - salaries		**-**	115
Other professional fees		**126**	192

16. 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 operates or 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% (2015 - 26.5%) .

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

	2016	2015
Loss for the year before taxes	$ (1,633)	$ (1,129)
Statutory tax rate	26.5%	26.5%
Expected income tax recovery	(433)	(299)
Non-deductible/non-taxable items	-	26
Benefit of losses not recognized	433	273
	-	-

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

16. Income tax expense and deferred taxation (continued)

The significant components of the Company's unrecognized deductible temporary differences as at March 31, 2016 and 2015 are as follows:

	2016	2015
Loss carry-forward	$ 9,768	$ 9,098
Share issuance costs	74	25
Other	982	-
Subtotal	$ 10,824	$ 9,123

The group has non-capital losses in Canada of USD 1,652,000 expiring in 2036, USD878,000 expiring in 2035, USD 575,000 expiring in 2034 and USD 7,645,000 expiring in 2033.

17. Segmented information

(a) Reportable segments

The Company has two reportable segments, as described below, which are the Company's strategic business units. Both are determined by the Chief Executive Officer (the "CEO"), the Company'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 Company's reportable segments:

Exploration	Includes obtaining licences and exploring these licence areas.
Corporate office	Includes all Company administration and procurement

There are no other operations that meet any of the quantitative thresholds for determining reportable segments during the years ended March 31, 2016 or 2015.

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

Information regarding the results of each reportable segment is included below. Performance is measured based on segmented results. Any inter-segment transactions would be determined on an arm's length basis. Inter-segment pricing for 2016 and 2015 consisted of funding advanced from Corporate Office to Exploration.

17. Segmented information (continued)

(b) Operating segments

(In thousands of United States Dollars)

	Exploration		**Corporate office**		**Total**	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
Depreciation	$ -	$ 7	$ -	$ 1	$ -	$ 8
Reportable segment loss before tax	$ 1,003	$ 139	$ 620	$ 990	$ 1,633	$ 1,129
Material non-cash items in segment loss before tax:						
Share-based payments expenses	$ -	$ -	$ -	$ 98	$ -	$ 98

	Exploration		**Corporate office**		**Total**	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**

Reportable segment assets	$ 2,902	$ 4,049	$ 651	$ 566	$ 3,553	$ 4,615
Reportable segment liabilities	$ (12)	$ (144)	$ (584)	$ (377)	$ (596)	$ (521)

(c) Geographical segments

During the years ended March 31, 2016 and 2015, business activities took place in Sweden, Canada and South Africa.

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

The following table presents segmented information on the Company's operations and net loss for the year ended March 31, 2016 and assets and liabilities as at March 31, 2016:

(In thousands of United States Dollars)	**Canada**	**Sweden**	**South Africa**	**Total**
Net loss	$ 620	$ 1,003	$ -	**$ 1,633**
Total assets	$ 651	$ 45	$ 2,857	**$ 3,553**
Non-current assets	$ -	$ -	$ 2,898	**$ 2,898**
Liabilities	$ (584)	$ (12)	$ -	**$ (596)**

The following table presents segmented information on the Company's operations and net loss for the year ended March 31, 2015 and assets and liabilities as at March 31, 2015:

(In thousands of United States Dollars)	**Canada**	**Sweden**	**South Africa**	**Total**
Net loss	$ 1,162	$ (33)	$ -	**$ 1,129**
Depreciation	$ 8	$ -	$ -	**$ 8**
Share-based payments	$ 98	$ -	$ -	**$ 98**
Total assets	$ 566	$ 1,106	$ 2,943	**$ 4,615**
Non-current assets	$ -	$ 1,084	$ 2,955	**$ 4,039**
Liabilities	$ (377)	$ (144)	$ -	**$ (521)**

18. Commitments and Contingency

<u>Commitments</u>

Refer to note 13 for SSOAB contingent consideration.

Refer to note 7 for conditional consideration for UML acquisition.

<u>Contingency</u>

The Company's former controller filed a law suit claiming approximately $40,000 against the Company. URU delivered a defense and counterclaim against the former controller. Documents have been produced by the parties but there have not been any examinations for discovery. At this stage, it is too early to evaluate the relative strength of the claim, defense and counterclaim and no amounts have been accrued in the financial statements in relations to this matter.

19. Subsequent event

On April 15, 2016, 5,000,000 shares were issued to the CEO of the Company in settlement of salaries and director fees of $31,000.