URU METALS LIMITED

2017 ANNUAL REPORT

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Chairman's Statement

I am pleased to present to our shareholders and stakeholders, the consolidated financial statements of the Company for the year ended March 31, 2017.

The past financial year has been a fruitful year for URU, with achievements in obtaining financings and fulfilling investment strategies. We are now well positioned to take advantage of potential positive movements in the nickel market, as well as positive trading at MRS following a difficult 2016 financial period.

Henry Kloepper,
Executive Chairman
September 28, 2017

CEO's Report

Below are the major events of the Company for the year ended 31 March 2017.

Zebediela Project

We are excited by the progress made in relation to the Zebediela Project.

At the start of 2017 a new drilling campaign was undertaken on the Zebediela project. It consisted of three new drill holes being drilled on the Zebediela project (Z017, Z018, Z019). The main goal of this campaign was to do infill drilling, drill test potential extensions of the nickel (Ni) mineralization, test the potential magnetite mineralization, and complete metallurgical test work on the oxide and sulphide zones. The test work on the magnetite is still ongoing. The drilling on Zebediela was completed in July 2017 and the assay results of drill holes Z019 and Z017 have been reported to the market.

Burgersfort Ni Project

The Burgersfort Ni project was drill tested from 2010 to 2012 but was put on hold pending the outcome of a legal dispute between URU and their BEE partners on the Zebedelia project. The dispute has subsequently been settled and ongoing work at Burgersfort has been on hold pending the outcome of additional metallurgical and drilling testwork at URU's Zebedelia Ni project - which has many similarities to Burgersfort.

Investment in Management Resource Solutions PLC

In March 2017 the Company acquired 7,550,000 shares of Management Resource Solutions Plc ("MRS") from Scopn Pty Ltd. ("Scopn") at a price of GBP0.05 per share. As consideration the Company issued Scopn 25,166,666 new shares of the Company (each at an implied price of GBP0.045). In April 2017 the Company subscribed for an additional 10,000,000 shares of MRS at a price of GBP0.05 per share for total cash consideration of GBP500,000 bringing the Company's aggregate interest in MRS to 17,550,000 shares (representing 10.06% of its current issued share capital). The Company believes operational efficiencies can be realized to restore MRS' profitability, and the potential exists for significant revenue growth as a result of re-opening and/or expanding of mining operations in New South Wales, coupled with the continual demand for New South Wales coal from the Chinese market. The Board believes the investment in MRS provides the Company with a liquid investment with potential near-term upside.

On May 5, 2017, trading in MRS shares resumed on the AIM market of the London Stock Exchange. Based on the closing middle market share price of GBP0.045 per MRS share on September 20, 2017, the value of the 7,550,000 MRS shares acquired on March 1, 2017 was $460,000 ($1,173,000 as at March 31, 2017, based on the value of the URU shares issued as acquisition consideration).

Strategy for 2017/2018, Advance Zebediela project

Our plans for 2017/2018 include investigation of the occurrence of magnetite in both the oxide and the sulphide zones, metallurgical test work on the magnetite and assessing the potential for nickel extraction by acid and bioleaching compared to previously envisaged floatation operation. Based on the positive drill results from the most recent drilling campaign, URU plan to expand on the potential PGE and high-grade nickel discoveries and ultimately conduct updated feasibility studies on the Zebediela Project. Further work will be predicated on the results of these investigations.

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

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

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 Nickel Market

Overall positive trend — In September 2017, the nickel price reached a two-year high on the back of the longest run of weekly gains in a decade. The metals have been lifted by sustained demand growth and decreasing supply. The World Bank believes that the average Ni price for 2017 would be around $11,000 a ton and predict an increase to $20,000 a ton by 2030.

Outlook — URU has a positive outlook on the nickel market. The average nickel price for 2017 is expected to be $11,000 a ton, with forecasts predicting it will reach $20,000 a ton by 2030.

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.

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

John Zorbas, CEO

Strategic Report

The Directors are pleased to present their report, which supplements the annual consolidated financial statements for the year ended 31 March 2017.

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.

Our Business

URU Metals’ mission is to identify and invest in quality mineral exploration and development projects.

URU Metals’ vision is to become the AIM market’s premier nickel and uranium exploration and a development company. URU will achieve its vision by identifying and developing its flagship Zebedelia Nickel Property and seeking further other opportunities.

Our Strategy

The key pillars of our strategy are:

1	**Advancing 100% owned project** ***Medium to long– term returns***	*SAN Ltd.*	URU Metals plans to delineate a compliant mineral resource estimate. The Company will then look to advance the project through feasibility studies and into production and cash flow generation.
2	**Strategic Investments** ***Near to medium– term returns***	*The investment in Management Resource Solutions PLC*	URU Metals will make appropriate investments in listed or unlisted mining and mineral development and support services 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).

Operating and Financial Review

As the Group is primarily involved in exploration and project development, no revenue is generated (2016: Nil).

	Group	Group

Operating results	31 March 2017	31 March 2016
Loss for the year (USD ’000)	(645)	(1,633)
	(658)	(1,633)
Basic and fully diluted loss per share (US cents)	(0.15)	(0.60)
	(0.15)	(0.60)

Market Trends

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

Environmental matters

All three drill holes (Z017, Z018, and Z019) on the Zebediela project have been properly rehabilitated and plugged as per the approved environmental management plan (EMP). Furthermore, during the drill campaign all the necessary measures to protect the environment (as per the approved EMP) were employed. Currently, there are no emerging environmental issues related to the project.

The Company’s employees

The Company’s CEO was Mr. John Zorbas who carried out the executive duties during the year ended March 31, 2017. Henry Kloepper was appointed as the Chairman of the board upon resignation of former Chairman David Subotic in June 2017.

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.

Social and community issues

During the 2017 drill campaign, no social and community issues were reported on the Zebediela project. Furthermore, there are no emerging social and community issues related to the existing project.

URU will continue to work with stakeholders, to identify and mitigate future potential social and community issues using the Prospector and Developers e3 Plus principles. Our plans for 2017/2018 include investigation of the occurrence of magnetite in both the oxide and the sulphide zones, metallurgical test work on the magnetite, the potential for nickel extraction using acid and bioleaching operations compared to previously envisaged floatation operation, and to expand on the PGE resource and do a pre-feasibility study on the Zebediela project. Further work will be predicated on the results of these investigation.

However, URU will be working with 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 2016/2017 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.

Committee Meetings

During fiscal 2017, the Board met six times and the audit committee met twice. Both sets of meetings were attended by all Directors in all cases.

Zebediela Project

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

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

Funding

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

	Group 31 March 2017	Group 31 March 2016
Financial position		
Total assets (USD ’000)	6,868	3,553
Total shareholders’ funds (USD ’000)	6,191	2,957

The financial position and the results of operations are fully dealt with in the financial statements.

Dividends

The Board does not recommend a dividend in respect of the results for the year ended 31 March 2017.

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.

Financial Objectives

The Group’s financial objectives are to achieve:

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

Segmental Analysis

Information on segment reporting is set out in Note 18 to the annual consolidated financial statements.

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 will be 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 cannot be foreseen.	At current time, management is working on the licenses' eventual transfer and the Company is in compliance with all regulatory requirements.
Financial	Commodity Prices	URU Metals' financial performance is dependent upon the price of nickel. Adverse movement in commodity prices could have a material impact on operations.	The Board monitors commodity prices and potential impacts on cash flow, project development and the ability of the Company to raise necessary capital. Capital expenditure plans are aligned to prevailing and anticipated market conditions. By targeting projects with resources that fall within the highest grade quartile and lowest cost quartile of producers, the exposure to low commodity prices is somewhat mitigated.
	Costs and capital expenditure	The Company is exposed to on–going expenditure obligations resulting from its project development activities in South Africa.	Management conducts cash flow analyses and reduces capital expenditure requirements wherever possible. If necessary, project scopes are adjusted or in some cases deferred to preserve capital.
	Liquidity	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	Management monitors liquidity and exploration expenditure. The Board strives to ensure liquidity through timely corporate actions, if and when required.

		raise sufficient funds to develop projects, acquire additional assets or meet its on–going financial needs.	

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 will review 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 will reduce risks associated with a specific project or commodity. The Company will also make 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 compensation packages, 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. 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.

	Community Relations	Disputes regarding land claims, objections to mining may arise with local communities, causing disruption to projects or 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. URU engages experiences personnel to assist with local community relations.

September 28, 2017

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, 2017 and March 31, 2016 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.

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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, 2017 and March 31, 2016 and their financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

Consolidated Financial Statements

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

	As at March 31, 2017	As at March 31, 2016
ASSETS		
Non-current assets		
Plant and equipment (note 7)	**$ 116**	$ -
Intangible assets (note 8)	**2,796**	2,857
Long-term prepaid assets	**41**	41
Total non-current assets	**2,953**	2,898
Current assets		
Marketable securities (notes 9 and 20)	**1,173**	-
Receivables (note 10)	**30**	171
Cash and cash equivalents	**2,678**	484
Total current assets	**3,881**	655
Total assets	**$ 6,834**	$ 3,553
EQUITY AND LIABILITIES		
Equity		
Share capital and premium (note 11)	**$ 54,449**	$ 50,476
Shares to be issued (note 11 (ii)	**-**	31
Reserves (note 12)	**1,184**	1,281
Accumulated deficit	**(49,476)**	(48,831)
Total equity	**6,157**	2,957
Current liabilities		
Trade and other payables (note 13)	**677**	596
Total liabilities	**677**	596
Total equity and liabilities	**$ 6,834**	$ 3,553

The accompanying notes to the consolidated financial statements are an integral part of these statements.
Nature of operations (note 2)
Commitment (note 19)
Subsequent events (note 20)

Approved on behalf of the Board:

"Henry Kloepper", Chairman

"Jay Vieira", Director

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

	Year ended March 31, 2017	Year ended March 31, 2016
Administrative expenses	**$ (670)**	$ (630)
Operating loss before the following item	**(670)**	(630)
Financing costs	**-**	(21)
Reclassification from foreign currency translation reserve (note 8)	**25**	-
Impairment of intangible assets and derecognition of contingent liability (notes 8 and 14)	**-**	(982)
Net loss for the year	**(645)**	(1,633)
Other comprehensive loss		
Items that will be reclassified subsequently to income		
Effect of translation of foreign operations	**(72)**	(61)
Other comprehensive loss for the year	**(72)**	(61)
Total comprehensive loss for the year	**$ (717)**	$ (1,694)
Basic and diluted net loss per share (USD cents)	**$ (0.15)**	$ (0.60)
Weighted average number of common shares outstanding	**443,928,720**	270,763,658

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

	Year ended March 31, 2017	Year ended March 31, 2016
Operating activities		
Net loss for the year	**$ (645)**	$ (1,633)
Items not involving cash:		
Depreciation	**3**	-
Interest accretion on long-term liability	**-**	21
Gain on fair value adjustment on long-term liability	**-**	(163)
Reclassification from foreign currency reserve	**(25)**	-
Unrealized foreign exchange (gain)/loss	**(149)**	40
Impairment of intangible assets	**-**	1,145
Changes in non-cash working capital items:		
Decrease (increase) in receivables	**141**	(145)
Increase in trade and other payables	**203**	240
Net cash used in operating activities	**(472)**	(495)
Investing activities		
Additions to plant and equipment	**(119)**	-
Additions of intangible assets	**(8)**	(56)
Net cash used in investing activities	**(127)**	(56)
Financing activities		
Proceeds from private placement, net of transaction costs	**2,796**	464
Net cash provided by financing activities	**2,796**	464
Gain on exchange rate changes on cash and cash equivalents	**(3)**	(3)
Net change in cash and cash equivalents	**2,194**	(90)
Cash and cash equivalents, beginning of year	**484**	574
Cash and cash equivalents, end of year	**$ 2,678**	$ 484

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 and Warrants Reserve	Foreign Currency Translation Reserve	Accumulated Deficit	Total
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**
Shares issued in private placement	3,799	(1,141)	(31)	-	-	-	2,383
Shares issued for professional fees	235	(93)	-	-	-	-	142
Shares issued for acquisition of marketable securities	252	898	-	-	-	-	1,394
Fair value of warrants issued	-	(57)	-	57	-	-	-
Shares issued through exercise of warrants issued in private placement	200	103	-	(57)	-	-	246
Transaction costs incurred for share issuance	-	(223)	-	-	-	-	(223)
Reclassification of foreign currency reserve in SSOAB			-	-	(25)	-	(25)
Net loss and comprehensive loss for the year	-	-	-	-	(72)	(645)	(717)
Balance, March 31, 2017	**$ 7,726**	**$ 46,723**	**$ -**	**$ 2,307**	**$ (1,123)**	**$ (49,476)**	**$ 6,157**

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, 2017 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 28, 2017.

2. Nature of operations

During the year ended March 31, 2017, the Company's principal business activities were the exploration and development of mineral properties in South Africa.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and development programs will result in profitable mining operations. The 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.

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 judgment in the process of applying the group’s accounting policies. The areas involving a higher degree of judgment 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 marketable securities 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, 2017	
	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).

(d) Critical estimates and judgments

The preparation of the annual consolidated financial statements in conformity with IFRSs requires management to make judgments, 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 judgments 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 3 (c) Determination of Functional currency
Note 8 Valuation of Intangible assets
Note 9 Valuation of marketable securities
Note 12 Measurement of share options
Note 19 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 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 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.

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 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 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 recognised 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 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 consolidated statement of 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:

field equipment	3 years

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

(d) 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.

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

(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 and financial liabilities

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

Category	**Derivative status**	**Initial measurement**	**Subsequent to initial recognition, held at:**	**URU's assets in the category**
Loans and receivables	Non-derivative	Fair value	Amortised 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	Contigent consideration
Financial assets at fair value	Non-derivative	Fair value	Fair value through profit and loss	Marketable security

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.

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

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. Securities in privately held companies are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuation in the consolidated financial statements. These are included in Level 2 as disclosed in note 5.

Securities that are traded on a recognized securities exchange and for which no sales restrictions apply and for which an active market exists, are recorded at fair values based on quoted closing prices at the consolidated statement of financial position date or the closing price on the last day the security traded if there were no trades at the statement of financial position date. Securities which are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are determined based on other observable market inputs.

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.

(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.

(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.

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 the consolidated statement of loss.

(ii) Non-financial assets

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

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

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

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

(h) 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.

(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 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 consolidated statement of loss, with a corresponding adjustment to equity.

(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.

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 recognise 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 recognise 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 recognise 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 a material impact on these consolidated financial statements as all current leases 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, 2017 other than marketable security which is a level 2 financial assets at fair value.

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 $2,678,000 (March 31, 2016 - $484,000), which represent the maximum credit exposure on these assets. As at March 31, 2017, the majority of the cash and cash equivalents were held with a major Canadian chartered bank from which management believes the risk of loss to be minimal.

Liquidity risk

Liquidity risk is the risk that the 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, 2017				
Trade and other payables	$ 677	$ 677	$ 677	$ -
March 31, 2016				
Trade and other payables	$ 596	$ 596	$ 596	$ -

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 optimising 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.

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, 2017					
Cash and cash equivalents	$ -	$ 2,185	$ -	$ 493	$ 2,678
Receivables	-	-	-	30	30
Trade and other payable	-	(104)	(74)	(499)	(677)
March 31, 2016					
Cash and cash equivalents	$ 10	$ 463	$ 4	$ 7	$ 484
Receivables	-	-	-	171	171
Trade and other payable	-	(139)	(78)	(379)	(596)

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 optimise 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, 2017 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.

(In thousands of United States Dollars)	March 31, 2017 Equity	March 31, 2017 Profit or loss	March 31, 2016 Equity	March 31, 2016 Profit or loss
GBP	**$ -**	**$ (350)**	$ -	$ (32)
CAD	**$ -**	**$ (7)**	$ -	$ 23
SEK	**$ -**	**$ 7**	$ -	$ 7

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. During the year ended March 31, 2017, there were no changes in the Company's approach to capital management.

7. Plant and equipment

(In thousands of United States Dollars)

	Field
Balance, March 31, 2015 and March 31, 2016	**$ -**
Additions	120
Impact of foreign exchange	(1)
Balance, March 31, 2017	**$ 119**

	Field
Balance, March 31, 2015 and March 31, 2016	**$ -**
Depreciation for the year	3
Balance, March 31, 2017	**$ 3**

	Field
At March 31, 2016	**$ -**
At March 31, 2017	**$ 116**

8. Intangible assets

(In thousands of United States Dollars)

Exploration costs

COST	South African projects	SSOAB	Total
Balance, March 31, 2015	**$ 4,795**	**$ 1,096**	**$ 5,891**
Foreign exchange	(133)	34	(99)
Additions	-	56	56
Transfer to long-term prepaid assets (1)	-	(41)	(41)
Impairment	-	(1,145)	(1,145)
Balance, March 31, 2016	**$ 4,662**	**$ -**	**$ 4,662**
Additions	8	-	8

Foreign exchange	(113)		(113)
Balance, March 31, 2017	**$ 4,557**	**$ -**	**$ 4,557**

ACCUMULATED AMORTIZATION AND IMPAIRMENT	South Africa Project	SSOAB	Total
Balance, March 31, 2015	**$ (1,852)**	**$ -**	**$ (1,852)**
Foreign exchange	47	-	47
Balance, March 31, 2016	**$ (1,805)**	**$ -**	**$ (1,805)**
Foreign exchange	44	-	44
Balance, March 31, 2017	**$ (1,761)**	**$ -**	**$ (1,761)**

CARRYING VALUE	South African Projects	SSOAB	Total
Balance, March 31, 2016	**$ 2,857**	**$ -**	**$ 2,857**
Balance, March 31, 2017	**$ 2,796**	**$ -**	**$ 2,796**

(1) 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.

SSOAB Licences

SSOAB (as defined in note 14) 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 was 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. The foreign currency reserve of SSOAB was reclassified from equity to the consolidated statements of loss and comprehensive loss for the year ended March 31, 2017.

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 as the Company had no plan to pursue the project in Nunavut Territory and the Company let the option expire.

South African Projects

In November 2013, the Company acquired 100% interest in Southern Africa Nickel Limited ("SAN Ltd.") which was the Company's joint venture partner since 2010 on the Zebediela Nickel Project and 50% interest in the Burgersfort Project. SAN Ltd in turn had a 74% interest in a joint operation (the “SAN-Umnex Joint Venture”). The remaining 26% was held by Umnex Mineral Holdings Pty (“UMH”), which had title to the Zebediela licences through its subsidiary, UML. With URU's acquisition of SAN Ltd., the SAN-URU joint venture was dissolved and San Ltd. obtained ownership of the JV's 50% interest in the Burgersfort Project with BSC resources as the other party to the agreement.

On 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 Nickel Project extends over three separate adjacent prospecting rights in the Limpopo Province of South Africa. All three rights are held by LPU which in turn is 100% owned by UML.

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

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

As at March 31, 2017, the "general and project expenditure obligations" and the "minimum statutory expenditure obligations" of the general and project expenditure obligations had not been determined.

Additionally, conditional consideration of 12,000,000 free-trading shares is payable if either 1) a transaction is consummated by 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, 2017, none of the above conditions have occurred.

9. Marketable security

On March 1, 2017, the Company acquired 7,550,000 shares of Management Resource Solutions Plc ("Management Resource") for GBP0.15 per share by issuance of 25,166,666 common shares of the Company. The fair value of the Management Resource shares was determined to be the value of the URU shares issued, as Management Resource was a public company whose shares were not trading at the time and the market price was not available. As at March 31, 2017, the trading in the shares of Management Resource was still suspended and management determined to use the fair value of the URU shares issued on March 1, 2017 of 3.7 pence per share as the fair value of the Management Resource shares. Subsequent to year end, the trading in the shares of Management Resource was resumed (note 20) and the value of the shares had decreased to GBP0.045 per share on September 20, 2017.

10. Receivables

(In thousands of United States Dollars)	**As at March 31, 2017**	**As at March 31, 2016**
Receivables	**$ 30**	$ 171

11. 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, 2015	228,960,379	$ 2,290	$ 47,660	$ 49,950
Shares issued in private placement (i)	95,000,000	900	(344)	556
Shares issued for professional fees (i)	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
Shares issued in private placements (ii)(iii)(iv)(v)	374,944,444	3,799	(1,141)	2,414
Shares issued for professional fees (iii)(iv)(v)	23,499,999	235	(93)	142
Fair value of warrants issued (iv)	-	-	(57)	(57)
Shares issued upon exercise of warrants(vi)	20,000,000	200	46	246

Reclassification of fair value of warrants upon exercise (vi)	-	-	57	57
Shares issued for acquisition of marketable security(vii)	25,166,666	252	898	1,394
Transaction costs incurred for private placement	-	-	(223)	(223)
Balance, March 31, 2017	772,571,488 $	7,726 $	46,723 $	54,449

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) 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 Chief Executive Officer ("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 CEO of the Company subscribed for 5 million shares in the private placement for settlement of CEO salaries and director fees of $31,000.

(ii) On April 15, 2016, 5,000,000 shares to be issued in the private placement as described above during the year ended March 31, 2016 were issued to the CEO of the Company in settlement of his salaries.

(iii) On November 22, 2016, the Company issued 185,000,000 shares at GBP 0.004 for gross proceeds of $832,000 and settlement of director fees and consulting fees of $87,000. Officers and directors of the Company subscribed for 32,500,000 shares for $161,000. Transaction costs of $81,000 were incurred.

(iv) On January 9, 2017, the Company issued 200,000,000 shares at GBP 0.0045 for gross proceeds of $1,063,000 and settlement of director fees and consulting fees of $30,000. Related parties including Niketo Limited, a company with the common management of URU and officers and directors of the Company subscribed for 31,111,111 shares for $170,000. Transaction costs of $105,000 were incurred.

On January 9, 2017. the Company issued 20,000,000 warrants to Adam International Investments Limited ("Adam International") with each warrant exercisable at GBP0.01 for a share of the Company. The fair value of the warrants was determined to be $57 using the Black Scholes model with the following assumptions: risk free rate of 0.73%, dividend yield of 0%, expected life of 1 year, expected volatility of 145.7%, exercise price of GBP 0.01 and share price of GBP0.0059.

(v) On February 13, 2017, the Company issued 13,444,443 shares at GBP 0.045 for gross proceeds of $732,000 and settlement of director fees and consulting fees of $25,000. Related parties including Niketo Limited, a company with the common management of URU and officers and directors of the Company subscribed for 3,555,555 shares for $200,000. Transaction costs of $21,000 were incurred.

(vi) On March 1, 2017, the Company issued 20,000,000 shares for the exercise of the 20,000,000 warrants issued to Adam International above for gross proceeds of $246,000.

(vii) On March 1, 2017, the Company issued 25,166,666 for acquisition of 7,550,000 of Management Resources Solutions Plc ("MRS") from Scopn Pty Ltd. at a price of GBP0.15 per share. Transaction costs of $7,000 were incurred.

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, 2017 (year ended March 31, 2016 - $nil)

12. 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, 2017.

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, 2017:

Exercise prices (GBP)	Weighted average remaining life (years)	Number of options originally granted	Number exercisable
0.049	3.56	2,633,334	2,633,334
0.020 (i)	0.15	8,500,000	8,500,000
0.030	0.95	11,133,334	11,133,334

(i) Subsequent to year end, 8,000,000 of these options were exercised and the remaining 500,000 options expired unexercised (note 20).

(ii) Continuity and exercise price

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

	Number of options	Weighted average exercise price per share (GBP)
Balance, March 31, 2015	13,133,334	0.03
Options expired unexercised	(2,000,000)	0.03
Balance, March 31, 2016 and March 31, 2017	11,133,334	0.03

(b) Warrants

The following is a summary of the Company's warrants granted under its Share Incentive Scheme. As at March 31, 2017, 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

Refer to note 11(iv) for the issuance and exercise of 20 million warrants during the year ended March 31, 2017.

13. Trade and other payables

(In thousands of United States Dollars)		**As at March 31, 2017**		**As at March 31, 2016**
Other payables	**$**	**291**	$	300
Accruals		**386**		296
	$	**677**	$	596

14. 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 was to 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).

During the year ended 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. During the year ended March 31, 2017, the contingent consideration was no longer recorded.

(In thousands of United States Dollars) :		**As at March 31, 2017**		**As at March 31, 2016**
Opening balance	**$**	**-**	$	142
Accretion		**-**		21
Derecognition of contingent consideration		**-**		(163)
	$	**-**	$	-

15. Related party transactions

(a) Transactions with key management personnel

During the year ended March 31, 2017, no stock options were granted to key management personnel.

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

Directors/officers	**Weighted average exercise price (GBP)**	**Number of options originally granted**	**Expiry 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 CEO 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.

All options held by management were exercised subsequent to March 31, 2017 (note 20).

(b) Management remuneration

(In thousands of United States Dollars)		**Year ended March 31, 2017**		**Year ended March 31, 2016**
Fees for services as director	**$**	**121**	$	36
Basic salary		**158**		236
Total	**$**	**279**	$	272

Please refer to note 11 (i)(ii)(iii)(iv)(v) for settlement of CEO salaries and director fees for issuance of shares.

During the year ended March 31, 2017, the Company issued 15,833,333 shares and 444,444 shares to David Subotic and Jay Vieira, respectively, for settlement of their director fees (note 11 (iii)(iv)(v)).

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.

16. 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, 2017**		**March 31, 2016**
Auditors' remuneration		**$**	**63**	$	79
Directors' fees			**121**		36
Legal fees			**36**		56
Operating lease payments			**32**		32
Depreciation			**3**		-
Foreign exchange loss (gain)					
Realized			**-**		32
Unrealized			**(86)**		47
Other professional fees			**232**		126

17. 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% (2016 - 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:

		2017		2016
Loss for the year before taxes	$	(645)	$	(1,633)
Statutory tax rate		26.5%		26.5%
Expected income tax recovery		(171)		(433)
Benefit of losses not recognized		171		433
		-		-

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.

The significant components of the Company's unrecognized deductible temporary differences as at March 31, 2017 and 2016 are as follows:

		2017		2016
Loss carry-forward	$	10,476	$	9,768
Share issuance costs		234		74
Other	$	982	$	982

18. 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 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 year ended March 31, 2017 or 2016.

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 2017 and 2016 consisted of funding advanced from Corporate Office to Exploration.

(b) Operating segments

(In thousands of United States Dollars)

	Exploration		Corporate office		Total	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Depreciation	$ 3	$ -	$ -	$ -	$ 3	$ -
Reportable segment loss before tax	$ 3	$ 1,003	$ 642	$ 630	$ 645	$ 1,633

	Exploration		Corporate office		Total	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Reportable segment assets	$ 2,878	$ 2,902	$ 3,956	$ 651	$ 6,834	$ 3,553
Reportable segment liabilities	$ (10)	$ (12)	$ (667)	$ (584)	$ (677)	$ (596)

(c) Geographical segments

During the year ended March 31, 2017 and 2016, business activities took place in 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, 2017 and assets and liabilities as at March 31, 2017:

(In thousands of United States Dollars)	**Canada**	**Sweden**	**South Africa**	**Total**
Net loss	$ 642	$ -	$ 3	**$ 645**
Total assets	$ 3,956	$ -	$ 2,878	**$ 6,834**
Non-current assets	$ 113	$ -	$ 2,840	**$ 2,953**
Liabilities	$ (667)	$ (10)	$ -	**$ (677)**

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)**

19. Commitments and Contingency

Commitments

Refer to notes 8 and 20(iii) for conditional consideration for UML acquisition.

Contingency

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 consolidated financial statements in relations to this matter.

20. Subsequent events

(i) In April 2017, 8 million stock options were exercised by the officers and directors of the Company for a total proceeds of $126 (GBP100) and in relation to a director resignation settlement pay of $76 (GBP60).

(ii) On April 19, 2017, 15,050,000 stock options with each exercisable into a common share of the Company at GBP0.06 per share were granted to officers, directors and consultants of the Company and 15,150,000 stock options each exercisable into a common share of the Company at GBP0.09 per share were granted to officers, directors and consultants of the Company. The fair value of the options was estimated at $72,038 (GBP52,256). The options vest in five years.

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

1. Once the Bankable Feasibility Study commences a monthly retainer of ZAR150,000 until then a monthly retainer of ZAR75,000 will be paid;

2. First right of offer for technical, metallurgical, engineering and geological services at market related pricing;

3. Capital raising and corporate finance fees of 5% of the transaction value of capital raised through UMH sources;

4. UMH will be issued a 1.5% royalty on all revenue generated from the Zebediela project. 1% of the royalty can be purchased back by URU or its successor for the amount of $2 million provided that URU exercises this right within 24 months of the Mining Right being issued by the Department of Mineral Resources of South Africa.

(iv) On May 5, 2017, the MRS shares resumed trading on the AIM market of the London Stock Exchange. Based on the closing middle market share price of GBP0.045 per MRS share on September 20, 2017, the value of the 7,550,000 MRS shares acquired on March 1, 2017 was $460 ($1,173 as at March 31, 2017, based on the value of the URU shares issued as acquisition consideration).