URU METALS LIMITED: 2018 ANNUAL REPORT

URU METALS LIMITED

2018 ANNUAL REPORT

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Chairman's Statement
For the Year Ended 31 March 2018

I am pleased to present to our shareholders and stakeholders the consolidated financial statements of the Group for the year ended 31 March 2018.

The past financial year has been a fruitful year for URU, with achievements in 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 the Groups available-for-sale financial asset, Management Resource Solutions Plc ('MRS'), following a difficult 2017 financial period.

Jay Vieira

Non-executive Chairman
3 October 2018

Below are the major events in the year ended 31 March 2018.

Zebediela Nickel Project

The Zebediela Project now represents an exciting nickel – copper – platinum group metal (Ni-Cu-PGE) exploration project with the potential to become a shallow, low-cost, high-value mining project. Recent drilling by the Group has demonstrated that the project has the potential to host a nickel ore body with significant PGE and Cu credits at shallow depths.

Following the successful 2017 drilling campaign (drill holes Z017, Z018, and Z019), a follow up drill program was undertaken in November 2017. It consisted of three new drill holes being drilled on the Zebediela project (drill holes Z020, Z021, Z022) targeting further Ni-Cu- PGE intersections and to improve the understanding of the geology, geometry and mineralisation style of the ultramafic body hosting the Ni-Cu-PGE mineralisation. The drilling on Zebediela was completed in December 2017 and the results of these we released to the market on 16 March 2018. The table below presents a summary of the drill results from the two drill programmes targeting Ni-Cu-PGE mineralisation at Zebediela.

Drill hole ID	Depth From	Depth To	Sample Interval	Depth Below Surface	Cu	Ni*	Ni**	3PGE + Au***
	meters	*meters*	*meters*	*meters*	*%*	*%*	*%*	*g/t*
Z019	133	142	9	78.9	0.15	0.43	0.34	1.97
Z019	169	170.8	1.8	100	0.1	0.44	0.34	1.60
Z020	55.0	65.0	10.0	43.2	0.18	0.52	0.43	2.39
Z020	174.0	176.1	2.1	137.0	0.15	0.59	0.42	2.00
Z021	194.0	198.8	4.8	176.0	0.12	0.48	0.34	2.15
Z022	38.1	41.7	3.6	28.9	0.09	0.35	0.33	0.89
Z022	95.0	95.5	0.5	70.0	0.13	0.39	0.37	6.37

*Total Ni assay by complete digestion, representing the Ni in both silicate and sulphide minerals
**Citric acid leach, representing mostly the Ni in sulphide minerals
*** 3PGE+Au equals platinum + palladium + rhodium + gold by fire assay with ICP-MS Finish

The relatively high base metal content with significant PGE grades means that the basket price in drill intersections for Zebediela is higher than that at Anglo American Platinum's Mogalakwena Mine, the world's largest open pit platinum mine, located approximately 20 km northwest of the Zebediela Project.

A comparison of grades and basket prices of metals from the results of the drilling compared with nearby operating PGE-Ni-Cu producers and projects is presented in the tables below.

Average grade relative to other PGE-Ni-Cu producers in South Africa

Company	Project/Reef	3PGE + Au* g/t	Pt g/t	Pd g/t	Rh g/t	Au g/t	Ni %	Cu %
Anglo Platinum	Mogalakwena	2.73	1.14	1.35	0.09	0.15	0.18	0.10
PTM Waterberg Project	T-Zone	3.94	1.14	1.93	0.04	0.83	0.08	0.16
	F-Zone	3.69	1.11	2.36	0.04	0.18	0.16	0.07
Ivanplats	Flatreef	4.40	1.95	2.01	0.14	0.30	0.34	0.17
URU**	**Zebediela**	**1.98**	**0.62**	**1.20**	**0.11**	**0.06**	**0.47**	**0.14**
Merensky Reef	Mine reserves	4.11	2.52	1.18	0.21	0.21	0.15	0.06
UG2 Reef	Mine reserves	4.80	2.54	1.64	0.46	0.16	0.04	0.02

* 3PGE+Au equals platinum + palladium + rhodium + gold
**From drill results only. This does not constitute a resource or reserve statement in any manner or format whatsoever. Grades for Zebediela are calculated on a weighted average on sample thickness and density.

Basket price comparison on a US Dollar per metric ton basis with other PGE-Ni-Cu producers in South Africa (as per RNS dated 18 July 2018)

Company	Project/Reef	Pt $/t	Pd $/t	Rh $/t	Au $/t	Ni $/t	Cu $/t	*Basket Price $/t
Anglo Platinum	Mogalakwena	30.24	40.50	6.08	5.98	25.52	6.18	114.50
PTM Waterberg Project	T-Zone	30.24	57.89	2.70	33.12	11.34	9.89	145.18
	F-Zone	29.44	70.79	2.70	7.18	22.68	4.33	137.13
Ivanplats	Flatreef	51.72	60.29	9.45	11.97	48.20	10.51	192.15
URU	**Zebediela**	**16.43**	**35.95**	**7.20**	**2.39**	**65.95**	**8.87**	**136.78**
Merensky Reef	Mine reserves	66.84	35.40	14.18	8.38	21.27	3.71	149.77
UG2 Reef	Mine reserves	67.37	49.19	31.06	6.38	5.67	1.24	160.92

*Metal prices as of 12 July 2018.

A ground-based geophysics program consisting of a time domain induced polarisation (IP) and resistivity plus ground magnetometer survey was recently completed in order to assist with the accurate placement of further planned exploration drill holes and help gain a better understanding of the geology of the area. These results are expected to be released in October 2018.

The magnetite and acid leach test work were also completed in 2017 and the results were released to the market on the 3 November 2017. An oxidative acidic leach test work programme was conducted on fresh material from drill hole Z017 which was drilled in the nickel-bearing dunite portion of the project. This resulted in a dissolution of 80% nickel after 26 days at a pH of 1.8 and the acid consumption reached 447 kg/t. This test work program has been temporarily halted following the discovery of the higher value Ni-Cu-PGE mineralisation.

Burgersfort Nickel Project

Based on the similarity of the geology between the Burgersfort Nickel Project and the Zebediela Nickel Project, the geological model for the Burgersfort Nickel Project is currently being revised to incorporate learnings from the Ni-Cu-PGE discoveries at Zebediela.

Investment in Management Resource Solutions PLC

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

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

MRS has two subsidiaries: Bachmann Plant Hire Pty Ltd ("BPH") and MRS Subzero Pty Ltd (trading as MRS Services Group, "MRSSG"). The markets which BPH and MRSSG service are the strongest they have been in years. BPH is currently working at fully capacity and has a strong pipeline of work to complete. MRSSG is experiencing strong demand, with revenues now exceeding $4.0m per month. The Hunter Valley thermal coal price has been strong and stable providing confidence for the coal mines to commit to repairs and maintenance and Yancoal / Glencore has recently completed the acquisition of the Rio Tinto assets in the Hunter Valley. Both BPH and MRSSG were run as separate operations with little interaction or utilisation of shared services and group purchasing during the financial years 2015-16 and 2016-17. During late 2016-17 and 2017-18 the Group prioritised significant cost cutting and restructuring, and has restructured the senior management. The cost cutting and restructuring programme is now substantially complete. Further progress is anticipated in 2018-19 as debt continues to be repaid from the strong operational cashflow generated by the major changes, which are now taking effect.

We are pleased in our investment in MRS and look forward to its future growth in value for our shareholders.

Strategy for 2018/2019

Advance Zebediela project

The Group's plans for 2018/2019 include further exploration targeting the Ni-Cu-PGE mineralisation identified in the successful 2017 drill campaigns. This includes further geological mapping, ground-based geophysics, soil sampling and exploration drilling. The main goal of this programme is to expand on the current understanding of the geology and the geometry of the ultramafic body hosting the Ni-Cu-PGE mineralisation and to ultimately define a JORC Compliant Mineral Resource estimate and conduct further feasibility studies on the Zebediela project. The mapping, ground-geophysics and soil geochemistry are currently underway and will be used to target drilling along strike and down-dip of the drilling conducted in the fourth quarter of 2017, which, if successful, will contribute towards the goal of defining a mineral resource statement related to the Ni-Cu-PGE mineralisation.

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

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

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

The Nickel Market

Overall positive trend — In March 2018, the average nickel price was approximately $13,400 per metric ton, reaching a three year high of $15,500 a metric ton in June 2018. The Group believe the Nickel price has been lifted by sustained demand growth and decreasing supply.

Outlook — The Group has a positive outlook on the nickel market. The average nickel price for 2018, as noted in the World Bank Commodity Markets Outlook Report published in April 2018, is expected to be $13,500 a metric ton, with forecasts predicting it will reach $18,000 a metric ton by 2030.

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

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

John Zorbas
Chief Executive Officer

3 October 2018

URU Metals Limited
Strategic Report
For the Year Ended 31 March 2018

The Directors are pleased to present their Strategic Report for the year ended 31 March 2018.

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

Our Business

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

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

Our Strategy

The key pillars of our strategy are:

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

Operating and Financial Review

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

Operating results	Group 31 March 2018	Group 31 March 2017
Loss for the year (USD ’000)	(862)	(645)
	(862)	(645)
Basic diluted loss per share (US cents)	(0.11)	(0.15)
Diluted loss per share (US cents)	(0.11)	(0.15)

Zebediela Nickel Project

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

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

Market Trends

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

Environmental matters

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

The Group’s employees

The Group’s CEO was John Zorbas who carried out the executive duties during the year ended 31 March 2018.

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

Social and community issues

During the 2018 drill campaign, no social and community issues were reported on the Zebediela project. Furthermore, there are no emerging social and community issues related to the project.

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

Funding

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

Financial Objectives

The Group's financial objectives are to achieve:

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

Segmental Analysis

Information on segmental reporting is set out in note 21 to the consolidated financial statements.

Principal Risks and Uncertainties

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

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

Principal Risks and Uncertainties (continued)

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

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

URU Metals Limited
Strategic Report (continued)
For the Year Ended 31 March 2018

Principal Risks and Uncertainties (continued)

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

John Zorbas
Chief Executive Officer
3 October 2018

The Directors present their report and the audited consolidated financial statements for the year ended 31 March 2018.

Business Review

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

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

Key Performance Indicators

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

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

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

Executive director
John Zorbas

Non-Executive Directors
Jay Vieira
Kyle Appleby (appointed 12 March 2018)
Henry Kloepper (resigned 12 March 2018)
David Subotic (resigned 13 June 2017)

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

	2018		2017	
	Number of shares	**% Held**	Number of shares	% Held
J. Vieira	4,444,444	0.57%	2,444,444	0.32%
J. Zorbas - direct	33,644,000	4.31%	33,644,000	4.35%
J. Zorbas – indirect (1)	118,511,118	15.18%	118,511,118	15.34 %
K. Appleby	-	-	-	-
H. Kloepper	-	-	-	-
D. Subotic	29,183,000	3.74%	29,183,000	3.82%

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

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

	2018 Number	2017 Number
J. Zorbas	**10,000,000**	3,000,000
J. Vieira	**5,400,000**	2,000,000
K. Appleby (appointed 12 March 2018)	**-**	-
H. Kloepper (resigned 12 March 2018)	**2,000,000**	-
D. Subotic (resigned 13 June 2017)	**5,200,000**	3,000,000

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

Directors' remuneration

Salary and fees	**2018** $	2017 $
Executive Directors:		
J. Zorbas	**187,000**	159,000
Non-executive Directors:		
J. Vieira	**17,000**	18,000
K. Appleby (appointed 12 March 2018)	**-**	-
H. Kloepper (resigned 12 March 2018)	**13,000**	-
D Subotic (resigned 13 June 2017)	**74,000**	103,000

The remuneration in the year ended 31 March 2017 of D. Subotic includes compensation for loss of office of $84,000.

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

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

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

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

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

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

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

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

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

Registered holder	Percentage of issued share capital
J. Zorbas (1)	19.49%
Umnex Mineral Holdings (Pty) Limited	8.48%
Global Hydrocarbons Limited	6.90%
Adam International Investments Limited	4.07%
D. Subotic	3.16%

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

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

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

Statement of Directors' Responsibilities
The Statement of Directors' Responsibilities can be found on page 14 of these financial statements. The Statement of Directors' Responsibilities forms part of the Directors' Report.

On behalf of the Board

John Zorbas
Chief Executive Officer
3 October 2018

URU Metals Limited
Statement of Directors` Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the financial performance and cash flows of the Group for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether, in preparation of the Group financial statements, the Group has complied with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the Group financial statements; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

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

URU Metals Limited
Corporate Governance Report

Statement of Compliance
Save for the Companies Act, there is no mandatory corporate governance regime in the British Virgin Islands with which the Company must comply. However, the Directors recognise the importance of sound corporate governance and intend to comply with appropriate recognised corporate governance standards as far as practicable and to the extent appropriate given the Group's size, assets, liabilities and other relevant information. In practice this means that the Group complies with the Quoted Companies Alliance corporate governance code for small and mid-sized quoted companies, which include a standard of minimum best practice for AIM companies, and recommendations for reporting corporate governance matters (the QCA Code').

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

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

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

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

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

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

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

Internal Control

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

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

Shareholder Communication

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

Corporate Responsibility

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

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

Approved by the Board on 3 October 2018 and signed on its behalf by:

John Zorbas

Chief Executive Officer

Independent auditors’ report
to the members of URU Metals Limited

Opinion
We have audited the financial statements of URU Metals Limited for the year ended 31 March 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the group financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 March 2018 and of its loss for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter
Carrying value of intangibles (exploration and evaluation assets)
Intangible assets represent a significant part of the assets of the Group and comprise exploration assets in respect of the Group’s South African project. Management are required to assess whether there are any indicators of potential impairment in the year.

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

Audit approach
Our specific audit testing included the verification of the status of the exploration licences in order to confirm legal title and reviewing the original Preliminary Economic Assessment and subsequent exploration activity to assess whether there was evidence from the exploration results to date which would indicate a potential impairment. We also reviewed the board forecasts and meeting minutes to confirm the Group's intention to continue explore the licence areas.

Key audit matter
Accounting treatment of intangibles (exploration and evaluation assets)
The costs of the South African project in the year should be capitalised in accordance with IFRS 6 'Accounting for exploration and evaluation assets'. Management must consider the continued application of the stated accounting policy and assess whether it remains consistent with IFRS 6 'Accounting for exploration and evaluation assets' and the relevant financial reporting requirements.

Audit approach
We considered whether the intangible asset additions in the year were capitalised in accordance with the stated accounting policy and the relevant financial reporting requirements. We performed substantive testing on samples of the expenses capitalised in the year in order to assess whether the expenses had been appropriately capitalised.

Key audit matter
Carrying value of available-for-sale financial assets
The investment in Management Resource Solutions Plc represents a material asset of the Group at the reporting date. Management are required to consider the published share price and other available data to assess the carrying value of the asset at the year end.

Audit approach
We considered the carrying value of the investment in Management Resource Solutions Plc by reference to its published share price and other available data.

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

Due to the nature of the Group we considered gross assets to be the main focus for the readers of the financial statements, accordingly this consideration influenced our judgement of materiality. Based on our professional judgement, we determined materiality for the Group to be $73,000, based on a percentage of gross assets.

On the basis of our risk assessments, together with our assessment of the overall control environment, our judgement was that performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the Group was 60% of materiality, namely $43,800.

We agreed to report to the Audit Committee all audit differences in excess of $3,650, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also reported to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

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

An overview of the scope of our audit
Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. The Group is audited centrally by one audit team, led by the Senior Statutory Auditor. Our approach in respect of key audit matters is set out in the Key Audit Matters section above.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of our report

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

MATTHEW MEADOWS (**Senior Statutory Auditor**)
for and on behalf of Kingston Smith LLP, Statutory Auditor
Devonshire House
60 Goswell Road
London EC1M 7AD
3 October 2018

URU Metals Limited
Consolidated Statement of Comprehensive Income
For the Year Ended 31 March 2018

	2018 $'000	2017 $'000
Administrative expenses	**(862)**	(670)
Operating loss	**(862)**	(670)
Reclassification from foreign currency translation reserve	**-**	25
Net loss for the year	**(862)**	(645)
Other comprehensive income		
Items that will be reclassified subsequently to income		
Unrealised loss on available-for-sale financial assets	**(334)**	-
Effect of translation of foreign operations	**159**	(72)
Other comprehensive loss for the year	**(175)**	(72)
Total comprehensive loss for the year	**(1,037)**	(717)
Basic and diluted net loss per share (USD cents) (note 8)	**(0.11)**	(0.15)

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

URU Metals Limited
Consolidated Statement of Financial Position
31 March 2018

	As at 31 March 2018 $'000	As at 31 March 2017 $'000
ASSETS		
Non-current assets		
Property, plant and equipment (note 10)	**85**	116
Intangible assets (note 11)	**3,243**	2,796
Long-term prepaid assets (note 9)	**41**	41
Total non-current assets	**3,369**	2,953
Current assets		
Available-for-sale financial assets (note 12)	**1,676**	1,173
Trade and other receivables (note 13)	**67**	30
Cash and cash equivalents	**1,317**	2,678
Total current assets	**3,060**	3,881
Total assets	**6,429**	6,834
EQUITY AND LIABILITIES		
Equity		
Share capital (note 14)	**7,806**	7,726
Share premium (note 14)	**46,938**	46,723
Reserves	**1,380**	1,184
Accumulated deficit	**(50,672)**	(49,476)
Total equity	**5,452**	6,157
Current liabilities		
Trade and other payables (note 16)	**977**	677
Total liabilities	**977**	677
Total equity and liabilities	**6,429**	6,834

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

Approved on behalf of the Board on 3 October 2018:

Jay Vieira, Non-executive Chairman

Kyle Appleby, Non-executive Director

URU Metals Limited
Consolidated Statement of Cash Flows
For the Year Ended 31 March 2018

	2018 $'000	2017 $'000
Cash flows from operating activities		
Net loss for the year	**(862)**	(645)
Adjustments for:		
Share-based payments	**203**	-
Depreciation	**33**	3
Reclassification from foreign currency reserve	**-**	(25)
Unrealised foreign exchange gain	**(145)**	(149)
Changes in non-cash working capital items:		
(Increase)/decrease in receivables	**(37)**	141
Increase in trade and other payables	**300**	203
Net cash used in operating activities	**(508)**	(472)
Investing activities		
Purchase of available for-sale financial assets	**(650)**	-
Purchase of property, plant and equipment	**-**	(119)
Purchase of intangible assets	**(406)**	(8)
Net cash used in investing activities	**(1,056)**	(127)
Financing activities		
Net proceeds from exercise of share options	**203**	-
Proceeds from share issues, net of transaction costs	**-**	2,796
Net cash generated by financing activities	**203**	2,796
Gain on exchange rate changes on cash and cash equivalents	**-**	(3)
Net (decrease)/ increase in cash and cash equivalents	**(1,361)**	2,194
Cash and cash equivalents, beginning of year	**2,678**	484
Cash and cash equivalents, end of year	**1,317**	2,678

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

URU Metals Limited
Consolidated Statement of Changes in Shareholders' Equity
For the Year Ended 31 March 2018

Equity attributable to shareholders

	Share Capital $'000	Share Premium $'000	Shares to be Issued $'000	Share Option and Warrants Reserve $'000	Foreign Currency Translation Reserve $'000	Accumulated Deficit $'000	Total $'000
At 31 March 2016	**3,240**	**47,236**	**31**	**2,307**	**(1,026)**	**(48,831)**	**2,957**
Shares issued in private placement	3,799	(1,141)	(31)	-	-	-	2,627
Shares issued for professional service	235	(93)	-	-	-	-	142
Shares issued for acquisition of available-for-sale financial assets	252	898	-	-	-	-	1,150
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)
At 31 March 2017	**7,726**	**46,723**	**-**	**2,307**	**(1,123)**	**(49,476)**	**6,157**
Share-based compensation	-	-	-	129	-	-	129
Shares issued upon exercise of stock options	80	123	-	-	-	-	203
Reclassification of fair value of stock options exercised	-	92	-	(92)	-	-	-
Net loss and comprehensive loss for the year	-	-	-	-	159	(1,196)	(1,037)
At 31 March 2018	**7,806**	**46,938**	**-**	**2,344**	**(964)**	**(50,672)**	**5,452**

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

1. General information

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

The consolidated financial statements of the Group for the year ended 31 March 2018 comprise the Company and its subsidiaries.

2. Nature of operations

During the year ended 31 March 2018, the Group's principal business activities were the exploration and development of mineral properties in South Africa.

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

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

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

3. Basis of preparation

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

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

Items included in the consolidated financial statements for each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). Similarly, the Group reports its results in a specified currency (the "presentation currency"). The functional currencies of the Company and its subsidiaries (with their abbreviation defined in note 5) are set out in the table below:

3. Basis of preparation (continued)

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

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

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

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

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

4. Summary of significant accounting policies

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

(a) Going concern

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

The Directors have prepared detailed financial forecasts and cashflows for the twelve months from the date of signing these financial statements. In developing these forecasts, the Directors have made assumptions based upon their view of current and future economic conditions over the forecast period. On the basis of the forecasts, the Directors are confident that the Group has sufficient working capital to meet its ongoing liabilities as they fall due. Accordingly, the Directors continue to adopt the going concern basis in the preparation of these consolidated financial statements.

(b) Basis of consolidation

Subsidiaries

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

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

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

Associates

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

4. Significant accounting policies (continued)

(b) Basis of consolidation (continued)

Available-for-sale financial assets

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

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

Joint arrangements, joint operations and joint ventures

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

Transactions eliminated on consolidation

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

(c) Foreign currency transactions

i) Foreign currency transactions

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

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

4. Significant accounting policies (continued)

(c) Foreign currency transactions (continued)

ii) Foreign operations

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

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

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

(d) Property, plant and equipment

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

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

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

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

4. Significant accounting policies (continue)

(d) Property, plant and equipment

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

Field equipment	3 years

(e) Exploration costs and intangible assets

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

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

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

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

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

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

(f) Cash and cash equivalents

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

4. Significant accounting policies (continued)

(g) Financial instruments

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

(i) Financial assets and financial liabilities

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

Category	Derivative status	Initial measurement	Subsequent to initial recognition, held at:	URU's assets in the category
Loans and receivables	Non-derivative	Fair value	Amortised cost using the effective interest method	Trade and other receivables
Loans and receivables	Non-derivative	Fair value	Amortised cost using the effective interest method	Cash and cash equivalents
Other financial liabilities	Non-derivative	Fair value	Amortised cost using the effective interest method	Trade and other payables
Other financial liabilities	Non-derivative	Fair value	Fair value through other comprehensive income	Contingent consideration
Financial assets at fair value	Non-derivative	Fair value	Fair value through other comprehensive income	Available-for-sale financial assets

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

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 recognised at the fair value and subsequently carried at amortised 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 recognises financial liabilities on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

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

4. Significant accounting policies (continued)

<u>(g) Financial instruments</u>

Financial assets at fair value

Fair value determination
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The Group has no financial instruments carried at fair value as at 31 March 2018 other than available-for-sale financial assets which is a Level 1 financial asset at fair value.

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

Available-for-sale financial assets that are traded on a recognised 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. Available-for-sale financial assets which are traded on a recognised 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 other comprehensive income are presented as:

- fair value gain or loss on investment in the consolidated statement of comprehensive income, and
- within operating activities in the consolidated statement of cash flows.

(ii) Derecognition of financial assets and financial liabilities

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

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

4. Significant accounting policies (continued)

(g) Financial instruments (continued)

(iii) Offset

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

(h) Impairment of assets

(i) Financial assets

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

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

(ii) Non-financial assets

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

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

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

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

4. Significant accounting policies (continued)

(i) Income tax

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

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

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

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

(j) Loss per share

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

(k) Segmental reporting

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

4. Significant accounting policies (continued)

(l) Employee benefits

Pension obligations and other post-employment benefits

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

Short-term employee benefits

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

Share-based compensation

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

(m) New accounting standards and interpretations

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

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

- IFRS 9, 'Financial Instruments'
- IFRS 15, 'Revenue from Contracts with Customers'
- IFRS 16, 'Leases"
- IFRS 10 and IAS 28 (amendments), 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'
- Amendments to IFRS 2, 'Classification and Measurement of Share-based Payment Transactions'
- Amendments to IAS 7, 'Disclosure Initiative'
- Amendments to IAS 12, 'Recognition of Deferred Tax Assets for Unrealised Losses'

4. Significant accounting policies (continued)

(m) New accounting standards and interpretations – cont'd)

The directors do not expect that the adoption of the Standards listed above will have a material impact on the Group in future periods except that IFRS 9 will impact both the measurement and disclosure of financial instruments and IFRS 15 may have an impact on revenue recognition and related disclosures. Beyond this, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 and IFRS 15 until a detailed review has been completed.

IFRS 16 is a significant change to lessee accounting and all leases will require balance sheet recognition of a liability and a right-of-use asset except short term leases and leases of low value assets. The effect on the Group is considered to be minimal.

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

5. Critical Accounting Estimates and Judgements

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

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

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

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

Impairment of exploration and evaluation expenditure (intangible assets)
At 31 March 2018 the carrying value of intangible assets of the Group were $3,243,000 (2017: $2,796,000). The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not yet reached a stage that permits a reasonable assessment of the existence of reserves. The directors have carried out an assessment of the carrying value of exploration and evaluation expenditure and any required impairment in accordance with the accounting policy in note 4.

5. Critical Accounting Estimates and Judgements (continued)

Assessment of significant influence
The Group holds 9.59% of the issued share capital of Management Resource Solutions Plc (‘MRS’) which is below the 20% assumed threshold for significant influence. However as J. Zorbas was appointed as the Non-executive Chairman of MRS on 10 April 2017 management have reviewed the criteria detailed in IAS 28 ‘Investments in Associates’ of potential indication of the existence of significant influence. Management judgement is therefore required to assess whether significant influence is exercised over MRS in the year and have concluded that the Group did not exercise significant influence over MRS in the year.

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

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

Calculation and recognition of contingent consideration
The Group is exposed to potential contingent consideration from previous acquisitions as detailed in note 10. Management exercises judgement in assessing whether the contingent consideration should be recognised in the consolidated financial statements.

6. Financial risk management

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

Credit risk
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Group's credit risk is primarily attributable to the Group's cash and cash equivalents and trade and other receivables. The Group has no allowance for impairment that might represent an estimate of incurred losses on other receivables. The Group has cash and cash equivalents of $1,317,000 (2017 - $2,678,000), which represent the maximum credit exposure on these assets. As at 31 March 2018, the majority of the cash and cash equivalents were held with a major Canadian chartered bank from which management believes the risk of loss to be minimal.

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

6. Financial risk management (continued)

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

The following are the contractual maturities of financial liabilities:

	Carrying amount $'000	Contractual cash flows $'000	6 months or less $'000	6 months to 5 years $'000
31 March 2018				
Trade and other payables	977	977	977	-
31 March 2017				
Trade and other payables	677	677	677	-

Market risk

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

Foreign currency rate risk

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

The Group does not hedge its exposure to currency risk.

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

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

	USD $'000	GBP $'000	SEK $'000	CAD $'000	Total $'000
31 March 2018					
Cash and cash equivalents	-	1,294	-	23	1,317
Trade and other receivables	-	-	-	67	67
Trade and other payables	-	(217)	(58)	(702)	(977)
31 March 2017					
Cash and cash equivalents	-	2,185	-	493	2,678
Trade and other receivables	-	-	-	30	30
Trade and other payables	-	(104)	(74)	(499)	(677)

6. Financial risk management (continued)

Interest rate risk

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

Market risks

Sensitivity analysis

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

	31 March 2018		**31 March 2017**	
	Equity $'000	**Profit or loss $'000**	**Equity $'000**	**Profit or loss $'000**
GBP	**-**	**(108)**	-	(350)
CAD	**-**	**61**	-	(7)
SEK	**-**	**6**	-	7

7. Capital risk management

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

The Group prepares annual expenditure budgets to facilitate the management of its capital requirements and updates them as necessary depending on various factors such as capital deployment and general industry conditions. During the year ended 31 March 2018 there were no changes in the Group's approach to capital management.

8. Earnings per Share

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

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

The Company has potentially issuable shares which relate to share options issued to directors and third parties. In the years ended 31 March 2018 and 31 March 2017 none of the options had a dilutive effect on the loss in the two years.

	As at 31 March 2018 $'000	**As at 31 March 2017 $'000**
Loss used in calculating basic and diluted earnings per share ($)	**(862)**	(645)
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	779,944,091	443,928,720
Weighted average number of shares for the purpose of diluted earnings per share	779,944,091	443,928,720
Basic loss per share (US cents)	(0.11)	(0.15)
Diluted loss per share (US cents)	(0.11)	(0.15)

9. Long-term prepaid assets

	31 March 2018 $'000	**31 March 2017 $'000**
Long-term prepaid assets	**41**	41

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

10. Property, plant and equipment

COST	**Field equipment $'000**
At 31 March 2016	-
Additions	120
Impact of foreign exchange	(1)
At 31 March 2017	**119**
Impact of foreign exchange	2
At 31 March 2018	**121**

ACCUMULATED DEPRECIATON	**Field equipment $'000**
At 31 March 2016	-
Depreciation for the year	3
At 31 March 2017	**3**
Depreciation for the year	33
At 31 March 2018	**36**

***CARRYING* VALUE**	**Field equipment $'000**
At 31 March 2017	**116**
At 31 March 2018	**85**

11. Intangible assets

Exploration costs

COST	**$'000**
At 31 March 2016	**4,662**
Additions	8
Foreign exchange	(113)
At 31 March 2017	**4,557**
Additions	406
Foreign exchange	98
At 31 March 2018	**5,061**

ACCUMULATED AMORTISATION AND IMPAIRMENT	**$'000**
At 31 March 2016	**1,805**
Foreign exchange	(44)
At 31 March 2017	**1,761**
Foreign exchange	57
At 31 March 2018	**1,818**

CARRYING VALUE	**$'000**
At 31 March 2017	**2,796**
At 31 March 2018	**3,243**

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

The exploration costs, amortisation and impairment detailed in the above table are in respect of the Group's South African project only. The Group's exploration costs in respect of its SSOAB Licences project of $1,145,000 were fully impaired at 31 March 2016 and the exploration costs in respect of its Nueltin Licence project of $153,000 were fully impaired at 31 March 2015.

SSOAB Licences

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

11. Intangible assets (continued)

Nueltin Licence

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

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

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

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

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

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

South African Projects (continued)
As at 31 March 2018, the "general and project expenditure obligations" and the "minimum statutory expenditure obligations" of the general and project expenditure obligations had not been determined.

Additionally, conditional consideration of 12,000,000 free-trading shares is payable if either 1) a transaction is consummated by the Group to sell, farm-out, or similarly dispose of any portion of a mineral project on some or all of the mining titles, or 2) a mining right is obtained from the South African Department of Mines and Resources in respect of some or all of the rights, or 3) an effective change of control of the Group occurs. As at 31 March 2018 none of the above conditions have occurred.

11. Intangible assets (continued)

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

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

12. Available-for-sale financial assets

	As at 31 March 2018 $'000	**As at 31 March 2017 $'000**
At 1 April	1,173	-
Additions	650	1,417
Fair value adjustment through other comprehensive income	(334)	-
Foreign exchange gain/(loss)	187	(244)
At 31 March	**1,676**	**1,173**

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

During the year ended 31 March 2018 the Group acquired an additional 10,000,000 ordinary shares of MRS at £0.05 per share. At 31 March 2018 the Group held 17,550,000 ordinary shares representing 9.59% of the issued share capital of MRS.As at 31 March 2018 the investments in MRS shares were valued at $1,676,000 based on share price of £0.068 per share.

Management have assessed whether the Group exercises significant influence over MRS in accordance with the accounting policy as per note 4. Management have taken into consideration the criteria as set out in IAS 28 ‘Investments in Associates’ and have determined that the Group did not exercise significant influence over MRS during the year.

13. Trade and other receivables

	31 March $'000	31 March $'000
Other receivables	**67**	30

14. Share capital and share premium

	Number of shares	Share capital $'000	Share premium $'000	Total $'000
At 31 March 2016	328,960,380	3,240	47,236	50,476
Shares issued in private placements (i)(ii)(iii)	374,944,444	3,799	(1,141)	2,658
Shares issued for professional fees (i)(iii)(iii)	23,499,999	235	(93)	142
Fair value of warrants issued (ii)	-	-	(57)	(57)
Shares issued upon exercise of warrants (iv)	20,000,000	200	46	246
Reclassification of fair value of warrants upon exercise (iv)	-	-	57	57
Shares issued for acquisition of available-for-sale financial asset (v)	25,166,666	252	898	1,150
Transaction costs incurred for private placement	-	-	(223)	(223)
At 31 March 2017	772,571,489	7,726	46,723	54,449
Shares issued upon exercise of share options (vi)	8,000,000	80	123	203
Reclassification of fair value of share options exercised (vi)	-	-	92	92
At 31 March 2018	780,571,489	7,806	46,938	54,744

14. Share capital and share premium (continued)

Issued shares

All issued shares are fully paid up.

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

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

(ii) On 9 January 2017 the Group issued 200,000,000 shares at £0.0045 for gross proceeds of $1,063,000 and settlement of director fees and consulting fees of $30,000. Related parties including, Captor Capital Corp, a company with common management and directors of the Company, subscribed for 31,111,111 shares for $170,000. Transaction costs of $105,000 were incurred.

On 9 January 2017 the Group issued 20,000,000 warrants to Adam International Investments Limited ("Adam International") with each warrant exerciseable at £0.01 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 £0.01 and share price of £0.0059.

(iii) On 13 February 2017 the Group issued 13,444,443 shares at £0.045 for gross proceeds of $732,000 and settlement of director fees and consulting fees of $25,000. Related parties including Captor Capital Corp., which subscribed for 3,555,555 shares for $200,000. Transaction costs of $21,000 were incurred.

(iv) On 1 March 2017 the Group 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.

(v) On 1 March 2017 the Group issued 25,166,666 for the acquisition of 7,550,000 ordinary shares of Management Resource Solutions Plc ("MRS") from Scopn Pty Ltd. at a price of £0.15 per share. Transaction costs of $7,000 were incurred.

(vi) During the year ended 31 March 2018 8,000,000 shares were issued upon exercise of share options by J. Vieira (3,000,000 shares); J. Zorbas (3,000,000 shares) and D. Subotic (2,000,000 shares), all at an exercise price of £0.02 per share.

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

Dividends
Dividends declared and paid by the Group were $nil for the year ended 31 March 2018 (2017 - $nil).

15. Reserves

(a) Share option and warrants reserve

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

During the year ended 31 March 2018 30,200,000 share options were granted. The options vested on grant and 15,050,000 options are exercisable at a price of £0.06 and 15,150,000 options are exercisable at £0.09.

The inputs into the option pricing model for the 15,050,000 options granted in April 2017 are as follows:

Weighted average exercise price	£0.06
Expected volatility	92.88%
Expected life	5 years
Risk-free interest rate	0.91%
Expected dividends	0.0%

The inputs into the option pricing model for the 15,150,000 options granted in April 2017 are as follows:

Weighted average exercise price	£0.09
Expected volatility	92.88%
Expected life	5 years
Risk-free interest rate	0.91%
Expected dividends	0.0%

15. Reserves (continued)

(i) Reconciliation of share options outstanding as at 31 March 2018:

Exercise prices (£)	Weighted average remaining life (years)	Number of options outstanding	Number exercisable
0.06	4.15	15,050,000	15,050,000
0.09	4.15	15,150,000	15,150,000
0.049	2.56	32,833,334	2,633,334
0.07	4.02	63,033,334	32,833,334

(ii) Continuity and exercise price

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

	Number of options	Weighted average exercise price per share (£)
At 31 March 2017	11,133,334	0.03
Options exercised	(8,000,000)	0.03
Options expired unexercised	(500,000)	0.03
Options granted	30,200,000	0.08
At 31 March 2018	32,833,334	0.07

The following is a summary of the Group's warrants granted under its Share Incentive Scheme. As at 31 March 2018 the following warrants, issued in respect of capital raising, had been granted but not exercised:

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

Refer to note 14(iv) for the issuance and exercise of 20,000,000 warrants during the year ended 31 March 2017.

(b) Foreign Currency Translation Reserve

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

16. Trade and other payables

	As at 31 March 2018 $'000	As at 31 March 2017 $'000
Other payables	**358**	291
Accruals	**619**	386
	977	677

17. Related party transactions

(a) Transactions with key management personnel

During the year ended 31 March 2018 30,200,000 share options were granted of which 24,400,000 share options were granted to key management personnel, (2017 - nil), as defined by IAS 24 'Related party disclosures'. Key management personnel include J. Peng, a senior employee of Marrelli Support Services Inc. (MSSI), a company which provides financial accounting services to the Group. The share options expire on 19 April 2022.

The following share options, granted to current and past directors and management, were outstanding as at 31 March 2018.

Directors/officers	Exercise price (£)	Number of options outstanding	Expiry date
Directors			
J. Zorbas	0.06	5,000,000	19 April 2022
J. Zorbas	0.09	5,000,000	19 April 2022
J. Vieira	0.06	2,600,000	19 April 2022
J. Vieira	0.09	2,600,000	19 April 2022
Management			
J. Peng	0.06	1,000,000	19 April 2022
J. Peng	0.09	1,000,000	19 April 2022
Former directors			
D. Subotic	0.06	2,600,000	19 April 2022
D. Subotic	0.06	2,600,000	19 April 2022
H. Kloepper	0.06	1,000,000	19 April 2022
H. Kloepper	0.09	1,000,000	19 April 2022

17. Related party transactions (continued)

(b) Directors' remuneration

	Year ended 31 March 2018 $'000	Year ended 31 March 2017 $'000
Fees for services as director	**30**	18
Basic salary	**187**	159
Share-based payments	**74**	103
Total	**291**	280

Included in trade and other payables in note 16 are amounts accrued in respect of fees and salary of directors' of the Company in the year totalling $572,000 being amounts due to J.Zorbas ($527,000,(2017:$340,000)); J Vieira ($32,000, (2017:$15,000)) and H. Kloepper ($13,000,(2017:$Nil)).

18. Loss before income tax

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

	Year ended 31 March 2018 $'000	Year ended 31 March 2017 $'000
Auditors' remuneration	**40**	63
Directors' fees	**31**	121
Share-based payment charge	**128**	-
Operating lease charges	**16**	32
Depreciation	**33**	3
Foreign exchange gain (unrealised)	**(220)**	(86)

19. Income tax expense and deferred taxation

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

Effective 13 July 2012, the Group became resident in Canada, and is subject to income taxes at a combined federal and provincial statutory tax rate of 26.5% (2017 - 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:

	2018 $'000	**2017 $'000**
Loss for the year before taxation	(862)	(645)
Expected income tax recovery	(228)	(171)
Benefit of losses not recognised	228	171

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

The significant components of the Group's unrecognised deductible temporary differences as at 31 March 2018 and 2017 are as follows:

	2018 $'000	**2017 $'000**
Loss carry-forward	11,338	10,476
Share issuance costs	232	234
Other	982	982

20. Segmental information

(a) Reportable segments

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

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

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

There are no other operations that meet any of the quantitative thresholds for determining reportable segments during the years ended 31 March 2018 or 31 March 2017.

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

Information regarding the results of each reportable segment is included below. Performance is measured based on segmented results. Any inter-segment transactions would be determined on an arm's length basis. Inter-segment pricing for the years ended 31 March 2018 and 31 March 2017 consisted of funding advanced from Corporate Office to Exploration.

(b) Operating segments

	Exploration		**Corporate office**		**Total**	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Depreciation	(33)	(3)	-	-	(33)	(3)
Reportable segment loss before tax	(33)	(3)	(829)	(642)	(862)	(645)

	Exploration		**Corporate office**		**Total**	
As at 31 March	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Reportable segment assets	3,396	2,878	3,033	3,956	6,429	6,834
Reportable segment liabilities	(10)	(10)	(967)	(667)	(977)	(677)

20. Segmental information (continued)

(c) Geographical segments

During the years ended 31 March 2018 and 31 March 2017, business activities took place in Canada and South Africa. In presenting information based on the geographical segments, segment assets are based on the physical location of the assets.

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

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

The following table presents segmented information on the Group's operations and loss for the year ended 31 March 2017 and assets and liabilities as at 31 March 2017:

	Canada $'000	Sweden $'000	South Africa $'000	Total $'000
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)**

21. Contingent liabilities

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

In the year the Group settled the lawsuit previously filed by the Group's former financial controller.