URU METALS LIMITED

Interim Results for Period Ended 30 September 2019

URU Metals Limited
Chairman's Statement
For the Period Ended 30 September 2019

I am pleased to present to our shareholders and stakeholders the consolidated financial statements of the Group for the period ended 30 September 2019.

The exciting Zebediela Project remains the focus of the Company's activities. Geological modelling using historical data and the information from surrounding projects has improved the likelihood of proving up a resource with higher nickel grades and associated platinum group metals mineralization close to surface, helping with advancing the project to a mining stage.

Highlights

The highlights of our progress during the six months ended 30 September 2019 and to the date of this report can be summarised as follows:

Zebediela Nickel Project

Good progress continues to be made on the various licensing aspects of the project. An application for a mining right over the Zebediela Project was made and accepted in August 2019. The mining right application was submitted over the portions of the four farms that comprise the Zebediela Project, namely portions of the farms Uitloop 3 KS, Bloemhof 4 KS, Amatava 41 KS and Piet Potgietersrust Town and Townlands 44 KS, totaling approximately 4,661 hectares.

A major component of the mining right application process is the environmental authorization process, which consists of a scoping phase and an environmental impact assessment phase. The public consultation process for the scoping phase ended on 02 December 2019 and a public open day was held on 14 November 2019. Over 103 interested and affected parties ("I&AP's") attended the open day and the comments received were incorporated into the Final Scoping Report which was submitted to the South African Department of Mineral Resources and Energy ("DMRE") for review on 10 December 2019. The scoping phase of the study is conducted in order to:

(a) Identify the relevant polices and legislation relevant to the activity;
(b) Motivate the need and desirability of the proposed activity, including the need and desirability of the activity in the context of the preferred location;
(c) Identify and confirm the preferred activity and technology alternatives through an impact and risk assessment and ranking process;
(d) Identify and confirm the preferred site, through a detailed site selection process, which includes an impact and risk assessment process inclusive of cumulative impacts and a ranking process of all the identified alternatives focusing on the geographical, physical, biological, social, economic, and cultural aspects of the environment;
(e) Identify the key issues to be addressed in the assessment phase;
(f) Agree on the key issues addressed in the assessment phase, including the methodology to be applied, the expertise required as well as the extend of further consultation to be undertaken to determine the impacts and risks the activity will impose on the preferred site through the life of the activity, including the nature, significance, consequence, extent, duration and probability of the impacts to inform the location of the development footprint within the preferred site; and
(g) Identify suitable measures to avoid, manage, or mitigate identified impacts and to determine the extent of the residual risks that need to be managed and monitored.

A positive response on the submitted scoping report is expected from the DMRE in Q1 2020, whereby the Environmental Impact Assessment phase of the Environmental Authorisation will commence. This is then expected to take about 12 months to complete. The team remains excited about the progress made on the project and continues to strategically align the project for development on the back of the high nickel and palladium prices.

Investment in Management Resource Solutions PLC (MRS)

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 believed 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.

On 5 May 2017, trading in MRS shares resumed on the AIM market of the London Stock Exchange.

On 04 September 2019, MRS requested a temporary suspension of trading on AIM of its shares with immediate effect following notification that an Australian firm providing insolvency solutions, stating that certain of their officers have been appointed as Voluntary Administrators of five of the Company's operating subsidiaries pursuant to Section 436C of the Corporations Act 2001. On 19 September 2019, MRS announced that two of its main subsidiaries in Australia, Bachmann Plant Hire Pty Ltd ("BPH") and MRS Subzero Pty Ltd (trading as MRS Services Group, "MRSSG"), were put in voluntary administration. Accordingly, the Group impaired the investment in MRS during the year ended 31 March 2019. Subsequently MRS announced on 23 December 2019 that the administrators have advised that at the concurrent meeting of creditors on 19 December 2019, it was resolved that the companies (Bachmann Plant Hire Pty Ltd, MRS Services Group Pty Ltd, MRS Property No1 Pty Ltd, Holdings (MRS) Pty Ltd and Management Resource Solutions Pty Ltd, the "companies") will be wound up voluntarily and Jirsch Sutherland be appointed as Joint and Several Liquidators. The MRS is continuing to explore options for a solvent future for MRS in order to avoid liquidation and further announcements will be made by MRS as appropriate.

Financial Position

As at 30 September 2019, the Company had cash and cash equivalents of $78,000. The Company continues to manage its working capital position carefully and will need to raise further capital in the future.

Outlook

URU continues to believe that the long-term fundamentals of the base minerals industries remain positive and will be working hard in the coming year to unlock the value of our projects for our shareholders. The Company maintains its core strategy to develop its nickel assets, as the Board anticipates growing demand and price appreciation for nickel in the short to medium term.

Jay Vieira

Non-executive Chairman

30 December 2019

URU METALS LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

PERIOD ENDED 30 SEPTEMBER 2019

(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed consolidated interim financial statements of URU Metals Limited (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

URU Metals Limited
Condensed Consolidated Interim Statement of Comprehensive Income
For the Period Ended 30 September 2019
(Unaudited)

	Six months ended 30 September 2019 $'000	Six months ended 30 September 2018 $'000
Administrative expenses	**(263)**	(408)
Operating loss	**(263)**	(408)
Net loss for the period	**(263)**	(408)
Other comprehensive income		
Items that will be reclassified subsequently to income		
Unrealised loss on financial assets at fair value through OCI	**-**	143
Effect of translation of foreign operations	**33**	(17)
Other comprehensive income for the period	**33**	126
Total comprehensive loss for the period	**(230)**	(282)
Basic and diluted net loss per share (USD cents)	**(29.49)**	(52.27)
Weighted average number of common shares outstanding	**779,944**	780,571

The loss per share calculation relates to both continuing and total operations.

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

URU Metals Limited
Condensed Consolidated Interim Statement of Financial Position
As at 30 September 2019
Unaudited

	As at 30 September 2019 $'000	As at 31 March 2019 $'000
ASSETS		
Non-current assets		
Property, plant and equipment (note 8)	**24**	43
Intangible assets (note 9)	**2,673**	2,471
Long-term prepaid assets (note 7)	**41**	41
Total non-current assets	**2,738**	2,555
Current assets		
Trade and other receivables (note 11)	**67**	64
Cash and cash equivalents	**78**	475
Total current assets	**145**	539
Total assets	**2,883**	3,094
EQUITY AND LIABILITIES		
Equity		
Share capital (note 12)	**7,806**	7,806
Share premium (note 12)	**46,938**	46,938
Other reserves	**1,063**	1,030
Accumulated deficit	**(54,102)**	(53,839)
Total equity	**1,705**	1,935
Current liabilities		
Trade and other payables (note 14)	**1,178**	1,159
Total liabilities	**1,178**	1,159
Total equity and liabilities	**2,883**	3,094

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

Approved on behalf of the Board on 30 December 2019:

Jay Vieira, Non-executive Chairman

Kyle Appleby, Non-executive Director

URU Metals Limited
Condensed Consolidated Interim Statement of Cash Flows
For the Period Ended 30 September 2019
Unaudited

	Six months ended 30 September 2019 $'000	Six months ended 30 September 2018 $'000
Cash flows from operating activities		
Net loss for the period	**(263)**	(408)
Adjustments for:		
Depreciation	**20**	20
Impairment of intangible asset		-
Impairment of financial assets at fair value through OCI		-
Unrealised foreign exchange gain	**(7)**	124
Changes in non-cash working capital items:		
Decrease/(increase) in receivables	**(3)**	(1)
Increase in trade and other payables	**19**	153
Net cash used in operating activities	**(243)**	(112)
Investing activities		
Purchase of financial assets at fair value through OCI	-	-
Purchase of intangible assets	**(163)**	(229)
Net cash used in investing activities	**(163)**	(1,056)
Financing activities		
Net proceeds from exercise of share options	**-**	-
Net cash generated by financing activities	-	-
Loss on exchange rate changes on cash and cash equivalents	**-**	(12)
Net decrease in cash and cash equivalents	**(397)**	(353)
Cash and cash equivalents, beginning of period	**475**	1,317
Cash and cash equivalents, end of period	**78**	964

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

URU Metals Limited
Condensed Consolidated Interim Statement of Changes in Shareholders' Equity
30 September 2019
Unaudited

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 2018	**7,806**	**49,938**	**-**	**2,344**	**(964)**	**(50,672)**	**5,452**
Net loss and comprehensive loss for the period	-	-	-	-	126	(408)	(282)
At 30 September 2018	**7,806**	**46,938**	**-**	**2,344**	**(838)**	**(51,080)**	**5,170**
At 31 March 2019	**7,806**	**46,938**	**-**	**2,344**	**(1,314)**	**(53,839)**	**1,935**
Net loss and comprehensive loss for the period	-	-	-	-	33	(263)	(230)
At 30 September 2019	**7,806**	**46,938**	**-**	**2,344**	**(1,281)**	**54,102**	**1,705**

The accompanying notes to the unaudited condensed consolidated interim 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.

On 21 November, 2018, the Company resolved to re-organise the Company's share capital by combining all of the Existing Ordinary Shares on the basis of one new ordinary share of no par value ('New Ordinary Share') for every 1,000 Existing Ordinary Shares, such shares having the same rights and being subject to the same restrictions as the Existing Ordinary Shares as set out in the Articles of the Company ('Consolidation'). All references to common shares, stock options and warrants have been fully retrospectively restated to reflect the Consolidation.

The unaudited condensed consolidated interim financial statements of the Group for the period ended 30 September 2019 comprise the Company and its subsidiaries.

2. Nature of operations

During the six months ended 30 September 2019, 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

(a) Statement of compliance

The Company applies IFRS as issued by the International Accounting Standards Board (“IASB”). These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

3. Basis of preparation (continued)

(a) Statement of compliance (continued)

The policies applied in these unaudited condensed consolidated interim financial statements are based on IFRSs issued and outstanding as of 30 December 2019, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed consolidated interim financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended 31 March 2018. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending 31 March 2019 could result in restatement of these unaudited condensed consolidated interim financial statements.

(b) New accounting standards and interpretations

The Group adopted the following Standards and Interpretations on 1 April, 2019:

- 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'

The adoption of these Standards listed above did not have a material impact on the Group in future periods.

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 was immaterial as the Group is currently not a party to any material operating leases as lessee or lessor.

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 consolidated financial statements.

4. 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 $78,000 (31 March 2019 - $475,000), which represent the maximum credit exposure on these assets. As at 30 September 2019, 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.

4. 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
30 September 2019				
Trade and other payables	1,178	1,178	1,178	-
31 March 2019				
Trade and other payables	1,159	1,159	1,159	-

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
30 September 2019					
Cash and cash equivalents	-	54	-	24	78
Trade and other receivables	-	-	-	67	67
Trade and other payables	-	(201)	(53)	(924)	(1,178)
31 March 2019					
Cash and cash equivalents	-	466	-	9	475
Trade and other receivables	-	-	-	64	64
Trade and other payables	-	(201)	(53)	(905)	(1,159)

4. 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.

	30 September 2019		**31 March 2019**	
	Equity $'000	**Profit or loss $'000**	**Equity $'000**	**Profit or loss $'000**
GBP	**-**	**15**	-	(27)
CAD	**-**	**83**	-	83
SEK	**-**	**5**	-	6

5. 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 six months ended 30 September 2019 there were no changes in the Group's approach to capital management.

6. 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 six months ended 30 September 2019 and 30 September 2018 none of the options had a dilutive effect on the loss.

	Six months ended 30 September 2019	Six months ended 30 September 2018
Loss used in calculating basic and diluted earnings per share ($)	**(2,291)**	(408)
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	779,944	780,571
Weighted average number of shares for the purpose of diluted earnings per share	779,944	780,571
Basic loss per share (US dollars)	(29.49)	(52.27)
Diluted loss per share (US dollars)	(29.49)	(52.27)

7. Long-term prepaid assets

	As at 30 September 2019	As at 31 March 2019
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.

8. Property, plant and equipment

COST	**Field equipment $'000**
At 31 March 2019	**118**
Impact of foreign exchange	1
At 30 September 2019	**119**

ACCUMULATED DEPRECIATON	**Field equipment $'000**
At 31 March 2019	**75**
Depreciation for the period	20
At 30 September 2019	**95**

***CARRYING* VALUE**	**Field equipment $'000**
At 31 March 2019	**43**
At 30 September 2019	**24**

9. Intangible assets

Exploration costs

COST	**$'000**
At 31 March 2019	**5,093**
Additions	163
Foreign exchange	(9)
At 30 September 2019	**5,247**

ACCUMULATED AMORTISATION AND IMPAIRMENT	**$'000**
At 31 March 2019	**2,622**
Foreign exchange	(48)
At 30 September 2019	**2,574**

CARRYING VALUE	**$'000**
At 31 March 2019	**2,471**
At 30 September 2019	**2,673**

The Group has operated 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 Projects 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. The Burgersfort South African project has been fully impaired in these consolidated financial statements. At 30 September 2019 the carrying value is solely in relation to the Zebediela Nickel Project described below.

SSOAB Licences

Svenska Skifferoljeaktiebolaget ("SSOAB") 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 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.

9. Intangible assets (continued)

Nueltin Licence
8373825 Canada Inc. ("Nueltin") was party to an option agreement with Cameco Corporation ("Cameco"), the holder of a licence located in the Nunavut Territory of Canada. Under the agreement, 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 Burgersfort Project extends over two adjacent prospecting rights in Burgersfort North and Burgersfort South. The Group has no plans to pursue the project and as announced on 31 May 2019 has fully impaired the intangible assets related to Burgersfort Project in the amount of $868,000 in the consolidated statement of financial position as at 31 March 2019.

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

As at 30 September 2019, 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 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 30 September 2019 none of the above conditions have occurred.

9. 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.

On 4 December 2018 the Company announced that the South African Department of Mineral Resources had formally approved and executed the renewal of the primary prospecting right. The right will expire on 2 December 2021.

10. Financial assets at fair value through other comprehensive income

	As at 30 September 2019 $'000	**As at 31 March 2019 $'000**
At beginning of the period	1,676	1,676
Fair value adjustment through other comprehensive income	(876)	(876)
Impairment	(686)	(686)
Foreign exchange (loss)	(114)	(114)
At end of the period	-	-

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 30 September 2019 and 31 March 2019 the Group held 17,550,000 ordinary shares.

10 Financial asset at fair value through other comprehensive income (continued)

On 4 September 2019, London Stock Exchange temporarily suspended the trading of MRS shares as two of the company's principal subsidiaries were placed into administration. As a result, the Group recorded a full impairment of the MRS shares which has been included as an exceptional item in profit and loss.

Management have assessed whether the Group exercises significant influence over MRS in accordance with the accounting policy. 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. J. Zorbas was a non-executive director of MRS until his resignation on 30 August 2019.

11 Trade and other receivables

	30 September 2019 $'000	31 March 2019 $'000
Other receivables	**67**	64

12. Share capital and share premium

	Number of shares	Share capital $'000	Share premium $'000	Total $'000
At 31 March 2019 and 30 September 2019	780,571	7,806	46,938	54,744

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.

12. Share capital and share premium (continued)

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 30 September 2019 (2018 - $nil).

13. 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 2019 and 31 March 2018.

The assessed fair value at grant date is determined using the Black-Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

(i) Reconciliation of share options outstanding as at 30 September 2019:

Exercise prices (£)	Weighted average remaining life (years)	Number of options outstanding	Number exercisable
60	2.65	15,050	15,050
90	2.65	15,150	15,150
49	1.06	2,633	2,633
70	2.52	32,833	32,833

(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 2019 and 30 September 2019	32,833	70

13. Reserves (continued)

The following is a summary of the Group's warrants granted under its Share Incentive Scheme. As at 30 September 2019 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	345	9 October 2019	345

These warrants expired unexercised subsequent to 30 September 2019.

(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.

14. Trade and other payables

	As at 30 September 2019 $'000	As at 31 March 20189 $'000
Other payables	**372**	360
Accruals	**806**	799
	1,178	1,159

15. Related party transactions

(a) Transactions with key management personnel

During the six months ended 30 September 2019, nil (six months ended 30 September 2018 - nil) share options were granted to key management personnel 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. Below is the listing of the stock options held by key management personnel and the share expire on 19 April 2022.

15. Related party transactions (continued)

The following share options, granted to current and past directors and management, were outstanding as at 30 September 2019.

Directors/officers	Exercise price (£)	Number of options outstanding	Expiry date
Directors			
J. Zorbas	60	5,000	19 April 2022
J. Zorbas	90	5,000	19 April 2022
J. Vieira	60	2,600	19 April 2022
J. Vieira	90	2,600	19 April 2022
Management			
J. Peng	60	1,000	19 April 2022
J. Peng	90	1,000	19 April 2022
Former directors			
D. Subotic	60	2,600	19 April 2022
D. Subotic	60	2,600	19 April 2022
H. Kloepper	60	1,000	19 April 2022
H. Kloepper	90	1,000	19 April 2022

(b) Directors' remuneration

	Six months ended 30 September 2019 $'000	Six months ended 30 September 2018 $'000
Fees for services as director	**15**	16
Basic salary	**90**	92
Total	**105**	108

Included in trade and other payables in note 14 are amounts accrued in respect of fees and salary of directors' of the Company in the year totalling $785,000 being amounts due to J.Zorbas (31 March 2019:$761,000)); J Vieira ($40,000, (31 March 2019:$44,000)); K. Appleby $22,000 (31 March 2019: $16,000) and H. Kloepper ($12,000,(31 March 2019:$13,000)).

16. 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 periods ended 30 September 2019 and 2018.

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 periods ended 30 September 2019 and 2018 consisted of funding advanced from Corporate Office to Exploration.

(b) Operating segments

	Exploration		**Corporate office**		**Total**	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Six months ended 30 September	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Depreciation	(20)	(20)	-	-	(20)	(20)
Reportable segment loss before tax	(20)	(20)	(243)	(388)	(263)	(408)

	Exploration		**Corporate office**		**Total**	
As at 30 September	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Reportable segment assets	2,713	3,499	170	2,801	2,883	6,300
Reportable segment liabilities	(11)	(10)	(1,167)	(1,120)	(1,178)	(1,130)

16. Segmental information (continued)

(c) Geographical segments

During the period ended 30 September 2019 and 2018, 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 period ended 30 September 2019 and assets and liabilities as at 30 September 2019:

	Canada $'000	**Sweden $'000**	**South Africa $'000**	**Total $'000**
Net loss	(243)	-	(20)	**(263)**
Total assets	170	-	2,713	**2,883**
Non-current assets	24	-	2,714	**2,738**
Liabilities	(1,167)	(11)	-	**(1,178)**

The following table presents segmented information on the Company's operations and net loss for the period ended 30 September 2018 and assets and liabilities as at 30 September 2018:

	Canada $'000	**Sweden $'000**	**South Africa $'000**	**Total $'000**
Net loss	(388)	-	(20)	**(408)**
Total assets	2,801	-	3,499	**6,300**
Non-current assets	65	-	3,508	**3,573**
Liabilities	(1,120)	(10)	-	**(1,130)**

17. Contingent liabilities

The Group is subject to the conditional consideration in respect of the acquisition of UML as detailed in note 9.