REGISTERED NUMBER: 07386462 (England and Wales)

GROUP STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

FOR

TSMUK LTD

Mehta & Tengra
Chartered Accountants
Statutory Auditors
24 Bedford Row
London
WC1R 4TQ

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2020

DIRECTORS:	R Mukerji K De
SECRETARY:	F Parekh
REGISTERED OFFICE:	18 Grosvenor Place London SW1X 7HS
REGISTERED NUMBER:	07386462 (England and Wales)
AUDITORS:	Mehta & Tengra Chartered Accountants Statutory Auditors 24 Bedford Row London WC1R 4TQ

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The directors present their strategic report of the company and the group for the year ended 31 March 2020.

The financial statements are reported in United States Dollars

The Group began its operation on 1st December 2010.

The Group comprises of TSMUK Ltd ("TSMUK"), an investment company and its two Canadian subsidiaries. Tata Steel Minerals Canada Ltd and TS Canada Capital Ltd.

Tata Steel Minerals Canada Ltd

TSMC, set up as a Joint Venture between Tata Steel (TSL) - 77.68% (through its step down subsidiary, TSMUK), Government of Quebec (GoQ) / Investment Quebec (IQ) - 18% and New Millennium Iron (NML) -4.32% to develop the Direct Shipping Ore Project in the Menihek Region in Newfoundland and Labrador near Schefferville, Canada to set up a large beneficiation Plant (also referred as Concentrator Project) to beneficiate an average Fe grade of 58 % to Fe grade of 65% and meet the customer requirements of despatches of Iron Ore with high Fe content (at least > 60% Fe content). The mine is expected to continue operating until fiscal year 2041 and is anticipating cumulative revenue earnings ranging between C$9B-C$10B over the life of the mine.

In order to develop and operate the mine, TSMC has been directly employing between 280-300 individuals annually as a part of their permanent workforce and an additional 400-500 individuals as a part of their contractual workforce. It should be noted that in their workforce, TSMC has employed approximately 100 First Nation members.

Due to the COVID-19 pandemic, the concentrator production had to be curtailed as of March 21, 2020 and facilities put on Care and Maintenance mode from March 24, 2020. The impact of this shut down resulted in 135 layoffs, retention of only 35 employees at site in any point in time and 98 employees performing their duties from home in various provinces. TSMC has, with great difficulty, retained 133 employees on their payroll so that they would able to resume operations with relative ease once the COVID-19 pandemic no longer restricts their operations.

Given that the global impacts of the COVID-19 pandemic are not anticipated to change significantly in the coming months, TSMC expects to be significantly negatively impacted from an economic perspective.

Currently, TSMC is unable to liquidate a stock of 600,000 tonnes (valued at C$38M) and there was a further loss of production of 150,000 tonnes by May'20. At this point TSMC had hoped to stabilize their production levels, but with a loss of revenue of C$27M. The inability to liquidate their stock of iron ore and loss of production has had a profoundly adverse cash flow impact on the company.

TSMC declared commercial production from 1st July'20.

TS Canada Capital Ltd

Created in Oct. 2012, TS Canada Capital Ltd. (TSCC) has been created to finance TSMC activities. TSCC lends funds to TSMC with a higher interest rate than what TSCC is paying. TSCC is wholly owned by Tata Steel Minerals UK Ltd and because TSCC is charging interest income at an interest rate higher than its cost, it triggers income tax payable. During the current year, TSMC repaid TSCC, and TSCC repaid the bank which held the loan.

PRINCIPAL RISKS AND UNCERTAINTIES

In the normal course of operations, the Group is exposed to and manages various financial risks.The Group does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

The Group's main financial risks and policies are as follows:

Exchange risk
Exchange risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's functional currency is the US dollar and most expenditures are transacted in Canadian dollar. The Group funds certain foreign currency transactions by buying the foreign currency at the spot rate when required. Consequently, some assets and liabilities are exposed to foreign exchange fluctuation.

Liquidity risk
Management maintains sufficient amounts of cash to meet commitments mainly in respect of its accounts payable and long-term debt.

Credit risk
The Group manages credit risk through an emphasis on quality in its investment portfolio, which at year end is all cash, short-term investments and term deposits. The cash, short-term investments and term deposits are held through three Canadian chartered banks and management believes the risk of loss to be remote.

Price risk
The Group is exposed to price risk with respect to iron ore prices and significant price declines could cause continued exploration and development to become uneconomical.

Interest rate risk
Interest rate risk is the risk that future cash flows of financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on its LIBOR rate based long-term debt.

External factors
The steel industry is highly capital-intensive and is cyclical. Steel demand is expected to continue growing in emerging economies such as India and China. China is an important influence on the global steel market. The sector remains vulnerable to increasing cost-side pressures and operating costs are expected to increase. Quarterly contracted prices of raw materials have added to earnings volatility of non-integrated steel manufacturers. This Volatility had lead to steel manufacturers seeking captive mining resources to safeguard business interests.Several foreign investors have entered into arrangement with small junior mining companies in Quebec. China and India , as well as the USA, are also interested by the quality of resources that can be found in Canada.

ON BEHALF OF THE BOARD:

R Mukerji - Director

3 June 2021

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2020.

DIVIDENDS
No dividends will be distributed for the year ended 31 March 2020.

DIRECTORS
The directors who have held office during the period from 1 April 2019 to the date of this report are as follows:

R Mukerji - appointed 29 November 2019

K De was appointed as a director after 31 March 2020 but prior to the date of this report.

N K Misra , D Bose and S Biswas ceased to be directors after 31 March 2020 but prior to the date of this report.

RELATED PARTY DISCLOSURE
None of the director's had a material interest at any time during the year in any contracts of significance in relation to the business of the company.

Other related party transactions are reflected in note 27 of financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and the group and of the profit or loss of the group for that period. 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 applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Mehta & Tengra, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

R Mukerji - Director

3 June 2021

Opinion

We have audited the financial statements of TSMUK LTD (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the 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, 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statement requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid 19. All audits assess and challenge the reasonableness of estimates made by the Group and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Group's future prospects and performance.

Covid 19 is amongst the most significant economic events currently faced by all the countries, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes. Consequently, their impacts are unknown. We applied a standardised firm-wide approach in response of these uncertainties when assessing the Group's future prospects and performance. However, no audit should be expected to predict the unknown factors or all possible future implications associated with these particular events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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 and the parent company'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 the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

P. Tengra (Senior Statutory Auditor)
for and on behalf of Mehta & Tengra
Chartered Accountants
Statutory Auditors
24 Bedford Row
London
WC1R 4TQ

31 July 2021

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 $	2019 $
TURNOVER		**58,475,583**	-
Cost of sales		**(62,414,136)**	-
GROSS LOSS		**(3,938,553)**	-
Administrative expenses		**(55,393,861)**	(30,521,230)
OPERATING LOSS	5	**(59,332,414)**	(30,521,230)
Amounts transfered to long-term assets	6	**55,002,025**	37,250,320
Impairment of mineral properties	6	**(95,584,025)**	-
		(99,914,414)	6,729,090
Interest receivable and similar income		**127,893**	262,216
		(99,786,521)	6,991,306
Amount written-off of advances	7	-	(3,849,556)
		(99,786,521)	3,141,750
Interest payable and similar expenses	8	**(11,988,250)**	(10,198,294)
LOSS BEFORE TAXATION		**(111,774,771)**	(7,056,544)
Tax on loss	9	-	(6,430)
LOSS FOR THE FINANCIAL YEAR		**(111,774,771)**	(7,062,974)
Loss attributable to:			
Owners of the parent		**(86,985,113)**	(5,493,950)
Non-controlling interests		**(24,789,658)**	(1,569,024)
		(111,774,771)	(7,062,974)

The notes form part of these financial statements

CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 $	2019 $
LOSS FOR THE YEAR		**(111,774,771)**	(7,062,974)
OTHER COMPREHENSIVE INCOME			
Share application		-	16,600
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		-	16,600
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(111,774,771)**	(7,046,374)
Total comprehensive income attributable to:			
Owners of the parent		**(111,774,771)**	(7,046,374)

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 MARCH 2020

	Notes	2020 $	2019 $
FIXED ASSETS			
Intangible assets	11	**300,467,487**	326,663,063
Tangible assets	12	**546,197,810**	536,115,834
Investments	13	**6,341,461**	6,335,334
		853,006,758	869,114,231
CURRENT ASSETS			
Stocks	14	**26,993,517**	-
Debtors	15	**26,290,753**	27,539,191
Cash at bank	16	**1,252,343**	3,624,242
		54,536,613	31,163,433
CREDITORS			
Amounts falling due within one year	17	**(160,838,310)**	(106,781,769)
NET CURRENT LIABILITIES		**(106,301,697)**	(75,618,336)
TOTAL ASSETS LESS CURRENT LIABILITIES		**746,705,061**	793,495,895
CREDITORS			
Amounts falling due after more than one year	18	**(725,459,085)**	(660,475,148)
NET ASSETS		**21,245,976**	133,020,747

The notes form part of these financial statements

continued...

CONSOLIDATED BALANCE SHEET - continued
31 MARCH 2020

	Notes	2020 $	2019 $
CAPITAL AND RESERVES			
Called up share capital	21	**157**	157
Share application money	22	**589,326,647**	589,326,647
Other reserves	22	**(44,860,690)**	(44,860,690)
Consolidation reserve	22	**22,864,350**	22,864,350
Retained earnings	22	**(586,897,216)**	(499,912,103)
SHAREHOLDERS' FUNDS		**(19,566,752)**	67,418,361
NON-CONTROLLING INTERESTS	23	**40,812,728**	65,602,386
TOTAL EQUITY		**21,245,976**	133,020,747

The financial statements were approved by the Board of Directors and authorised for issue on 3 June 2021 and were signed on its behalf by:

R Mukerji - Director

K De - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 MARCH 2020

	Notes	2020 $	2019 $
FIXED ASSETS			
Intangible assets	11	-	-
Tangible assets	12	-	-
Investments	13	**710,286,751**	1,084,451,976
		710,286,751	1,084,451,976
CURRENT ASSETS			
Cash at bank	16	**1,199**	11,758
CREDITORS			
Amounts falling due within one year	17	**(25,371)**	(29,085)
NET CURRENT LIABILITIES		**(24,172)**	(17,327)
TOTAL ASSETS LESS CURRENT LIABILITIES		**710,262,579**	1,084,434,649
CREDITORS			
Amounts falling due after more than one year	18	**(613,804,246)**	(551,497,317)
NET ASSETS		**96,458,333**	532,937,332
CAPITAL AND RESERVES			
Called up share capital	21	**157**	157
Share application money	22	**589,326,648**	589,326,648
Other reserves	22	**(56,226,628)**	(56,226,628)
Retained earnings	22	**(436,641,844)**	(162,845)
SHAREHOLDERS' FUNDS		**96,458,333**	532,937,332
Company's loss for the financial year		**(436,478,999)**	(10,146)

The financial statements were approved by the Board of Directors and authorised for issue on 3 June 2021 and were signed on its behalf by:

R Mukerji - Director

K De - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital $	Retained earnings $	Share application money $	Other reserves $
Balance at 1 April 2018	157	(494,418,153)	589,310,047	(44,860,690)
As restated	157	(494,418,153)	589,310,047	(44,860,690)
Changes in equity				
Total comprehensive income	-	(5,493,950)	16,600	-
Balance at 31 March 2019	157	(499,912,103)	589,326,647	(44,860,690)
As restated	157	(499,912,103)	589,326,647	(44,860,690)
Changes in equity				
Total comprehensive income	-	(86,985,113)	-	-
Balance at 31 March 2020	157	(586,897,216)	589,326,647	(44,860,690)

	Consolidation reserve $	Total $	Non-controlling interests $	Total equity $
Balance at 1 April 2018	22,864,350	72,895,711	67,171,410	140,067,121
Prior year adjustment	-	-	(1,569,024)	(1,569,024)
As restated	22,864,350	72,895,711	65,602,386	138,498,097
Changes in equity				
Total comprehensive income	-	(5,477,350)	-	(5,477,350)
Balance at 31 March 2019	22,864,350	67,418,361	65,602,386	133,020,747
Prior year adjustment	-	-	(24,789,658)	(24,789,658)
As restated	22,864,350	67,418,361	40,812,728	108,231,089
Changes in equity				
Total comprehensive income	-	(86,985,113)	-	(86,985,113)
Balance at 31 March 2020	22,864,350	(19,566,752)	40,812,728	21,245,976

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital $	Retained earnings $	Share application money $	Other reserves $	Total equity $
Balance at 1 April 2018	157	(152,699)	589,310,048	(56,226,628)	532,930,878
Changes in equity					
Total comprehensive income	-	(10,146)	16,600	-	6,454
Balance at 31 March 2019	157	(162,845)	589,326,648	(56,226,628)	532,937,332
Changes in equity					
Total comprehensive income	-	(436,478,999)	-	-	(436,478,999)
Balance at 31 March 2020	157	(436,641,844)	589,326,648	(56,226,628)	96,458,333

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 $	2019 $
Cash flows from operating activities			
Cash generated from operations	1	**61,825,435**	52,677,013
Interest paid		**(11,988,250)**	(10,198,294)
Tax paid		**-**	(6,430)
Net cash from operating activities		**49,837,185**	42,472,289
Cash flows from investing activities			
Purchase of intangible fixed assets		**(79,373,437)**	(56,105,539)
Purchase of tangible fixed assets		**(64,890,160)**	(34,927,583)
Purchase of fixed asset investments		**(6,127)**	-
Sale of intangible fixed assets		**9,984,988**	-
Sale of tangible fixed assets		**23,827,327**	1,277,136
Sale of fixed asset investments		**-**	3,584,784
Interest received		**127,893**	262,216
Net cash from investing activities		**(110,329,516)**	(85,908,986)
Cash flows from financing activities			
New loans in year		**61,355,800**	40,968,949
Capital repayments in year		**(3,235,368)**	(2,578,712)
shareholder future subscription		**-**	16,600
Net cash from financing activities		**58,120,432**	38,406,837
Decrease in cash and cash equivalents		**(2,371,899)**	(5,029,860)
Cash and cash equivalents at beginning of year	2	**3,624,242**	8,654,102
Cash and cash equivalents at end of year	2	**1,252,343**	3,624,242

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020	2019
	$	$
Loss before taxation	(111,774,771)	(7,056,544)
Depreciation charges	31,663,427	7,243,945
Impairment of mineral properties	95,584,025	-
Finance costs	11,988,250	10,198,294
Finance income	(127,893)	(262,216)
	27,333,038	10,123,479
Increase in stocks	(26,993,517)	-
Decrease in trade and other debtors	1,248,438	3,814,705
Increase in trade and other creditors	60,237,476	38,738,829
Cash generated from operations	61,825,435	52,677,013

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2020

	31.3.20	1.4.19
	$	$
Cash and cash equivalents	1,252,343	3,624,242

Year ended 31 March 2019

	31.3.19	1.4.18
	$	$
Cash and cash equivalents	3,624,242	8,654,102

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.19	Cash flow	At 31.3.20
	$	$	$
Net cash			
Cash at bank	3,624,242	(2,371,899)	1,252,343
	3,624,242	(2,371,899)	1,252,343
Debt			
Finance leases	(29,603,985)	3,235,368	(26,368,617)
Debts falling due after 1 year	(530,831,131)	(62,038,370)	(592,869,501)
	(560,435,116)	(58,803,002)	(619,238,118)
Total	(556,810,874)	(61,174,901)	(617,985,775)

1. STATUTORY INFORMATION

TSMUK LTD is limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation
The group financial statements consolidated those of the company and it's subsidiary undertakings drawn up to 31 March 2020. The subsidiary is an entity over which the company has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercise control through voting rights.

Exchange rates
The exchange rate used when reporting was United States Dollar.

Significant judgements and estimates
The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to the financial statements. The estimates include the recoverability of mineral properties, the useful life of property and equipment and Canadian income taxes related accounts and credits. These estimates are based on management's best knowledge of current events and actions that the group may undertake in the future. Actual results may differ from these estimates.

Cash and cash equivalents
Cash and cash equivalents include cash and highly liquid short-term investments having a term of three months or less from the acquisition date.

Revenue recognition
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from sale of products is recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the product has been shipped or delivered to a specific location as the case may be, the risk of loss has been transferred and either the customer has accepted the products in concordance with the sales contract, or the group has objective evidence that all criteria for acceptance has been satisfied. Sales of product include related ancillary services if any.

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

An impairment loss has been recognised in the Consolidated Income Statement, following an assessment at the Consolidated Balance Sheet date indicating the recoverable amount was less than its carrying value.

Mineral Properties are being amortised evenly over their estimated useful life of nil years.

continued...

2. **ACCOUNTING POLICIES - continued**

Mineral properties
The group capitalises costs, net of tax credits, mining duties credit and accumulated impairment losses relating to the acquisition, exploration and development of mineral properties on an area of interest basis. These expenses will be charged against revenue, through unit of production depletion, when properties are developed until the stage of commercial production. If an area of interest is abandoned, or management determines that there is a permanent and significant decline in value, the related costs are charged to operations. The group reviews the carrying values of mineral property interest on a yearly basis by reference to the project economics, including the timing and effort of the exploration and/or development work, the work programs and exploration results experienced by the group and others and the extent to which optionees have committed, or are expected to commit to exploration on a property. When it becomes apparent that the carrying value of a property exceeds its estimated net recoverable amount based on the foregoing criteria, impairment is recognised.

The recoverability of amount shown for minerals properties is dependent upon the ability of the group to obtain necessary financing to complete the exploration and development of economically recoverable reserve in the mineral properties, upon the renewal of the underlying mineral claims, maintaining of the company's interest in the underlying mining titles and compliance with filing obligations , and upon future profitable production of these reserves or sufficient proceeds from the disposition thereof .

During the construction and commissioning period of the mine, revenue from saleable material produced as part of test production is recorded against the cost of the asset until the mine is achieving its level of production and is completely operational.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

1) **Plant and Equipment** - The Ore Precessing plant , transportation infrastructure and equipment and the building and mine are amortised using the units-of-production basis.

2) **Fixture and Fitting** - Office equipment and furniture are depreciated on straight-line basic over 18, 36 or 60 months .

3) **Rolling stock** - Rolling stock is depreciated on a declining balance of 30% per annum .

Impairment of long-lived assets
Long-lived assets are tested for impairment whenever events or circumstances indicate that their carrying value may not recoverable. An impairment loss is recognised when the carrying amount of the asset exceeds the sum of the discounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Inventories are stated at the lower of cost and net realisable value. Cost is ascertained on a weighted average basis. Cost comprise direct materials and where applicable direct labour costs and overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing.

continued...

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Commercial production

Prior to reaching pre-determined levels of operating capacity intended by management, costs incurred are capitalized as part of mineral properties under development within property, plant and equipment, and proceeds from sales are offset against capitalized costs. Depletion of capitalized costs for mining properties begins when pre-determined levels of operating capacity intended by management have been reached. Management considered several factors in determining when a mining property has reached levels of operating capacity intended by management, including:

- Concentrator Plant is substantially complete and ready for its intended use;
- The Concentrator Plant can sustain ongoing production at a steady or increasing level;
- The Concentrator Plant has reached a level of pre-determined percentage of design capacity;
- mineral recoveries are at or near the expected production level, and;
- a reasonable period of testing of the mine plant and equipment has been completed.

Foreign currencies translation

Monetary assets and liabilities in foreign currency are translated at the exchange rate in effect at the balance sheet date , whereas non-monetary items are translated at the historical rate. Revenue and expenses are translated at the exchange rate in effect at the transaction date . Gain and losses are included in the net loss for the year .

Tax credits and mining duties

The Canadian tax credits and mining duties are recorded as a reduction of the mineral properties during the year in which the costs are incurred, provided that the group is reasonably certain that the Canadian tax credits and mining duties will be received. The tax credits and mining duties claimed and recorded must be examined and approved by the Canadian tax authorities and it is possible that the amount granted will differ from the amount recorded.

Income taxes

The group applies the taxes payable method of accounting for income taxes.

continued...

2. ACCOUNTING POLICIES - continued

Asset retirement obligations
During the course of acquiring and exploring potential mining properties, The group must comply with Canadian government environmental regulations concerning reclamation requirements. The estimated costs of complying with these requirements will be capitalised as mineral properties and the corresponding liability will be increased accordingly. The carrying value will then be amortised over the life of the related assets on a unit-of-production basis and the related liabilities will accrete to the original value estimate.

Financial instruments
-Measurement of financial instruments
The group initially measures its financial assets and liabilities at fair value except for certain non-arm's length transactions. The group subsequently measures all its financial assets and liabilities at amortized cost. Financial assets measured at amortised cost include cash, short-term investments and term deposits. Advances and receivable from shareholder corporation are measured at cost. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, loans payable and long-term debt.

-Impairment
An asset gets impaired when an entity is not in a position to recover the carrying value of its assets , either through its use or its disposal . In this regard, a review assessment of the cash generating abilities of the unit is periodically undertaken (based on triggers) and compared to the carrying value of the assets to ensure that the same is not higher than the cash generating capability of the asset. The Asset gets impaired if it's carrying value exceeds its recoverable amount (which is higher of the "Fair value of the assets, less cost of
disposal" and its "Value in use"). For the purpose of Value in Use, comparison of the carrying value of the asset group to its expected discounted cash flows An Impairment loss is recognized as an expense.

The triggers/ indicators, basis which the assessment of the cash generating abilities are carried out are the key performance levers which impact the performance and cash generating abilities of the unit. However, as per the requirements of the standard , in case the entity has recoverable amount of Goodwill and Intangible assets with an indefinite useful life , then an assessment of the same for impairment is required to be carried out at least on an annual basis irrespective of whether any impairment indicators exists or not .

-Transaction costs
The Group recognises its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

-Hedge accounting
The Group holds forward contracts on Iron Ore to protect against changes in market of iron ore based on anticipated transactions. As at 31st March, 2020, and 31st March 2019, the Group had not designated any derivative financial instruments as hedges for accounting purposes and accounts for these contracts at their fair value.

3. EMPLOYEES AND DIRECTORS

	2020	2019
	$	$
Wages and salaries	25,23,882	21,411,726

The average number of employees during the year was as follows:

	2020	2019
Average number of employees	269	268

4. DIRECTORS' EMOLUMENTS

	2020	2019
	$	$
Directors' remuneration	-	-

5. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2020	2019
	$	$
Depreciation - owned assets	30,980,857	7,243,947
Auditors' remuneration	7,888	10,781
Foreign exchange differences	(7,417,462)	(2,436,318)

6. EXCEPTIONAL ITEMS

	2020	2019
	$	$
Amounts transfered to long-term assets	55,002,025	37,250,320
Impairment of mineral properties	(95,584,025)	-
	(40,582,000)	37,250,320

The amounts transfered to long term assets represents expenditure capitalised to mineral properties.

7. AMOUNT WRITTEN-OFF OF ADVANCES

	2020	2019
	$	$
Amount written-off advances	-	3,849,556

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	$	$
Bank loan interest	11,988,250	10,198,294

9. TAXATION

Analysis of the tax charge
The tax charge on the loss for the year was as follows:

	2020	2019
	$	$
Current tax:		
Canadian tax	-	6,430
Tax on loss	-	6,430

continued...

9. **TAXATION - continued**

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 March 2020.

	2019		
	Gross	Tax	Net
	$	$	$
Share application	16,600	-	16,600

Taxation

Tax payable of Nil (2019 - $6,430) represents tax of TS Canada Capital Ltd.

Tata Steel Minerals Canada Ltd. pays no tax as this company has had a net loss every year since incorporation except for 2016.

Tata Steel Mineral UK Ltd. did not pay UK corporation tax during the year.

The group has unused Canadian Exploration expenses of $273,869,104 and unused Canadian Development expenses of $57,107,184.

The Group earned cumulative federal investment tax credits (ITCs) of $50,823,212 (2019: $50,823,212), which have not been recorded in these financial statements due to the uncertainty as to whether the group will be able to utilise them. These ITCs can be carried forward for 20 years and expire as follows:

	$
2031	71,462
2032	1,486,977
2033	5,618,775
2034	6,988,194
2035	20,196,938
2036	16,460,866
	50,823,212

The group has $427,854,556 (2019: $348,293,697) in non-capital tax losses, which are available to reduce income taxes in future years and expire as follows:

	$
2031	1,176,871
2032	12,227,490
2033	7,193,119
2034	21,008,796
2035	12,428,851
2036	141,424,204
2037	10,882,561
2038	84,817,404
2039	73,127,579
2040	63,567,681
	427,854,556

 continued...

10. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

11. INTANGIBLE FIXED ASSETS

Group

	Mineral Properties $
COST	
At 1 April 2019	**326,663,063**
Additions	**79,373,437**
Disposals	**(9,984,988)**
Impairments	**(95,584,025)**
At 31 March 2020	**300,467,487**
NET BOOK VALUE	
At 31 March 2020	**300,467,487**
At 31 March 2019	326,663,063

Goodwill arose during the consolidation process had been fully impaired.

Mineral properties

In December 2011 , the Group completed the purchase from New Millennium Iron Corp. (NML) of 782 Direct Shipping Ore (DSO) properties claims covering 303.9 square kilometres (kms) in Newfoundland and Labrador and Quebec. This purchase committed the group to a number of agreements that NML has signed on behalf of the DSO Project including Impact and Benefit Agreements ("IBAs") and royalty agreements. These properties are located in isolated claim blocks, extending from 15kms southeast of Schefferville to the Goodwood area approximately 50kms northwest of Schefferville.

The directors have taken a view to impair the mineral properties by $95.58m after taking into account future cash flow projections.

continued...

12. TANGIBLE FIXED ASSETS

Group

	Plant and machinery	Fixtures and fittings	Rolling stock	Totals
	$	$	$	$
COST				
At 1 April 2019	**566,770,738**	**4,361,543**	**532,392**	**571,664,673**
Additions	**64,619,231**	**112,419**	**158,510**	**64,890,160**
Disposals	**(23,827,327)**	**-**	**-**	**(23,827,327)**
At 31 March 2020	**607,562,642**	**4,473,962**	**690,902**	**612,727,506**
DEPRECIATION				
At 1 April 2019	**32,468,961**	**2,652,171**	**427,707**	**35,548,839**
Charge for year	**30,023,032**	**856,740**	**101,085**	**30,980,857**
At 31 March 2020	**62,491,993**	**3,508,911**	**528,792**	**66,529,696**
NET BOOK VALUE				
At 31 March 2020	**545,070,649**	**965,051**	**162,110**	**546,197,810**
At 31 March 2019	534,301,777	1,709,372	104,685	536,115,834

Property, plant and equipment under construction with a cost of $ 120,297,306 ($455,820,287 in 2019) have not been amortized in 2020.

13. FIXED ASSET INVESTMENTS

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Shares in group undertakings	**-**	-	**546,330,384**	982,802,538
Loans to group undertakings	**-**	-	**163,956,367**	101,649,438
Other investments not loans	**6,341,461**	6,335,334	**-**	-
	6,341,461	6,335,334	**710,286,751**	1,084,451,976

Additional information is as follows:

Group

Investments (neither listed nor unlisted) were as follows:

	2020	2019
	$	$
Other asset	**6,341,461**	6,335,334

continued...

13. FIXED ASSET INVESTMENTS - continued

Company

	Shares in group undertakings
	$
COST	
At 1 April 2019	**982,802,538**
Impairments	**(436,472,154)**
At 31 March 2020	**546,330,384**
NET BOOK VALUE	
At 31 March 2020	**546,330,384**
At 31 March 2019	982,802,538

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Tata Steel Minerals Canada Limited
Registered office:
Nature of business: Mining for steel

Class of shares:	% holding
Ordinary shares	77.68

	2020	2019
	$	$
Aggregate capital and reserves	**671,982,727**	681,208,438
Loss for the year	**(9,225,711)**	(7,029,677)

The Company invested US$982,802,538 (2019: US$982,802,538), in Tata Steel Minerals Canada Limited equivalent to 77.68% (2019:77.68%) of shareholdings.

T S Canada Capital Ltd
Registered office:
Nature of business: Financing for steel mining

Class of shares:	% holding
Ordinary	100.00

	2020	2019
	$	$
Aggregate capital and reserves	**4,323,376**	5,026,524
Loss for the year	**(703,148)**	(23,150)

The Company invested US$1 in TS Canada Capital Ltd.

continued...

13. FIXED ASSET INVESTMENTS - continued

Company

	Loans to group undertakings
	$
At 1 April 2019	**101,649,438**
New in year	**56,051,886**
Other movement	**6,255,043**
At 31 March 2020	163,956,367

Impairment of investment:
The standalone accounts of TSMC under Canadian GAAP does not show an impairment of the assets (Mineral Properties) of the company. However under FRS102 the Mineral Properties should have been impaired. Therefore, the impairment was only reflected in the consolidated accounts in the year to 31st March 2020.

Other Assets:
In July 2012, the Group entered into an agreement with the Sept-Îles Port Authority providing the Group with access to a new multi-user deep-water dock facility. As part of the agreement, TSMC will have a minimum annual shipping capacity of 5 million tons a year for 20 years, with options to renew for four or five-year terms. Construction of the port facility is expected to be completed in FY21. The Group's buy-in for this agreement amounts to $6,341,461. Because of these payments, the Group will receive favourable shipping rates at the dock facility.

14. STOCKS

	Group	
	2020	2019
	$	$
Finished goods	**26,993,517**	-

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2020	2019
	$	$
Trade debtors	-	3,761,320
Sales tax recoverable	**153,552**	1,269,340
Amount receivable from NML	**523,808**	542,837
Interest receivable	-	4,011
Deposit on contract	**17,997,403**	17,924,411
Prepayments	**7,615,990**	4,037,272
	26,290,753	27,539,191

continued...

16. CASH AT BANK

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Bank account	**1,252,343**	3,624,242	**1,199**	11,758

Cash and cash equivalents include cash and short-term investments having a term of three months or less from the acquisition date.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Finance leases (see note 20)	**1,683,514**	1,609,406	**-**	-
Trade creditors	**146,009,977**	94,956,969	**-**	-
Othe creditor	**-**	-	**11,071**	11,753
Accrued expenses	**5,979,192**	2,607,914	**14,300**	17,332
Deferred government grants	**7,165,627**	7,607,480	**-**	-
	160,838,310	106,781,769	**25,371**	29,085

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Bank loans (see note 19)	**5,991,401**	-	**-**	-
Other loans (see note 19)	**586,878,100**	530,831,131	**505,899,765**	449,847,879
Finance leases (see note 20)	**24,685,103**	27,994,579	**-**	-
Loan by related company	**107,904,481**	101,649,438	**107,904,481**	101,649,438
	725,459,085	660,475,148	**613,804,246**	551,497,317

19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Amounts falling due between two and five years:				
Bank loans - 2-5 years	**5,991,401**	-	**-**	-
Other loans - 2-5 years	**137,030,221**	80,983,252	**56,051,886**	-
Preference shares	**449,847,879**	449,847,879	**449,847,879**	449,847,879
	592,869,501	530,831,131	**505,899,765**	449,847,879

continued...

19. **LOANS - continued**

Long-term debt and loans payable to relatated companies:

	2020	2019
	$	$
TSGMH-Advance against preference share	**56,051,886**	-
Loan from Investissement Quebec bearing interest at 6.00% due on 30th September 2023.	**40,978,336**	40,983,252
Loan from parent company TSGP (Tata Steel Global Procurement) bearing interest at 7.00% Interest incurred on this loan during the year is $2,807,671 and it is included in the balance as at March 31,2020	**40,000,000**	40,000,000
Loan from a shareholder company bearing interest at 6.00% and due on September 30, 2023. Interest incurred on this loan during the year is $ 4,683,009 and is included in the balance as at March 31, 2020	**80,785,654**	76,102,645
Loan from TSGMH bearing interest at 6.00% Interest incurred on this loan during the year is $1,572,033 and it is included in the balance as at March 31, 2020	**27,118,826**	25,546,793
	244,934,702	182,632,690

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019
			$	$
450,000,000	Preference	1	**449,847,879**	449,847,879

	$
Convertible preference shares	449,847,879

The preference share that have not been redeemed retracted or repurchased prior to the tenth anniversary of their date of issue shall be immediately and automatically be converted into fully paid Class A ordinary shares.

Dividends are payable at the discretion of the directors and shall not exceed 10% of the redemption amount.

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Finance leases	
	2020	2019
	$	$
Net obligations repayable:		
Within one year	**1,683,514**	1,609,406
Between one and five years	**24,685,103**	27,994,579
	26,368,617	29,603,985

LEASE COMMITMENTS
Minimum lease payments required in the next five years under capital lease are as follows:

	$
2021	4,380,771
2022	4,380,771
2023	4,380,771
2024	4,380,771
Subsequently	26,124,819
	43,665,903
Interest included in minimum payments	(17,297,287)
	26,368,616

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**2020** $	2019 $
100	Ordinary	1.5725	**157**	157

22. RESERVES

Group

	Retained earnings $	**Share application money** $	**Other reserves** $	**Consolidation reserve** $	**Totals** $
At 1 April 2019	**(499,912,103)**	**589,326,647**	**(44,860,690)**	**22,864,350**	**67,418,204**
Deficit for the year	**(86,985,113)**				**(86,985,113)**
At 31 March 2020	**(586,897,216)**	**589,326,647**	**(44,860,690)**	**22,864,350**	**(19,566,909)**

continued...

22. **RESERVES - continued**

Company

	Retained earnings $	Share application money $	Other reserves $	Totals $
At 1 April 2019	(162,845)	589,326,648	(56,226,628)	532,937,175
Deficit for the year	(436,478,999)			(436,478,999)
At 31 March 2020	(436,641,844)	589,326,648	(56,226,628)	96,458,176

GROUP

Increase/ (Decrease) in:

Share application money
This represents additional contribute by the shareholders.

Other reserve
The other reserves represent the currency translation of financial statement as at 01 April 2015 from Canadian $ to US$.

Consolidation reserve:
The consolidation reserve arose due the change in minority shareholding from 6% to 22.32% during the year 2016/17, which resulted in the readjustment of the opening share capital, retained losses and other reserve.

23. **NON-CONTROLLING INTERESTS**

The minority shareholders own all of the class B and class C shares issued in Tata Steel Minerals Canada Ltd, which represent approximately 22.32% (2019: 22.32%) of the total issued share capital.

24. **ULTIMATE PARENT COMPANY**

The group is a wholly owned group headed by 'Tata Steel Limited', a company incorporated and registered in India.
The immediate parent company of the group is T S Global Minerals Holdings Pte. Ltd incorporated in Singapore.

continued...

25. CONTINGENT LIABILITIES

The Group has entered into an Impact and Benefit Agreements (IBA) with four First Nations. These " life of mine " agreements promote and govern a mutually beneficial development of the DSO project. The IBAs establish the processes and sharing benefits, whereby the first Nations will benefit through training, employment , business opportunities and financial participation in the project.

The minimum lease payments required under this lease are as follows:

	$
2021	3,819,657
2022	3,006,569
2023	3,128,181
2024	2,881,476
	12,835,883

26. CAPITAL COMMITMENTS

The Group has entered into various agreements for the development of the DSO project to be paid as project milestones are met and has agreed to some take-or-pay obligations that the Group anticipates will be used by its future operations. Based on the Group's estimates, amounts due in each of the next five years and subsequent under these agreements are as follows:

	$
2021	10,984,181
2022	10,920,350
2023	13,089,589
2024	18,831,677
Subsequent	27,461,761

The group is party to claim and lawsuits in the normal course of business. Management believes that the resolution of these claims and lawsuits will not have a material adverse effect on the Group's financial position, earnings or cash flows.

27. RELATED PARTY DISCLOSURES

During the year, the Group incurred transactions with companies under common control and a shareholder company:

	2020	2019
	$	$
Balance sheet accounts		
Receivable from a shareholder corporation (NML)	523,808	548,413
Accrued liability commodity/foreign exchange hedge payable	1,117,848	2,723,386
Tata Steel	454,258	365,943
Hedging TSGP	20,394,857	5,655,802
Interest expense capitalised	9,062,714	7,781,295

These transactions, concluded in the normal course of operations, are for goods and services provided by companies under common control and a shareholder corporation. These amounts have been recorded at the exchange amounts.

continued...

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

In the normal course of operations, the Group is exposed to and manages various financial risks.
The Group does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

The Group's main financial risks and policies are as follows:

Exchange risk
Exchange risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The majority of the Group's expenditure are transacted in Canadian dollars; however, there are foreign currency transactions. Consequently, some assets and liabilities are exposed to foreign exchange fluctuations.

On March 31, 2020 the Company had in cash, CAN$ 437,872 (CAN$ 3,027,596 in 2019); and CAN $ 50,000,000 (CAN $ 50,000,000 in 2019) in long-term debt and loans payable, which have been translated into US dollars at the exchange rate on March 31, 2020.

Liquidity risk
Liquidity risk is the risk that an entity will encounter financial difficulty in meeting obligations associated with financial liabilities.

The Group has a robust planning and budgeting process which supports in determining the funds required for Group's operating requirements as well as exploration and development plans. The annual budget is approved by the Board of Directors. The future exploration, development, mining, and processing may require additional financing by way of private or public offerings of equity or debt or sale of part of project. TSMC has support from the Tata Steel Group to provide the necessary support to the Group to enable it to fund the ongoing funding for the DSO project.

Credit risk
Credit risk is the risk that one party to a party to financial instrument will cause a financial loss for the other party by falling to discharge an obligation.

The Group manages credit risk through an emphasis on quality in its investment portfolio, which at year-end are cash short-term investments and term deposits are held through three Canadian chartered banks and management believes the risk of loss to be remote.

Interest rate risk
Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on its Libor rate based long-term debt.

Market risk
The Group is also exposed to market on shipments of iron-ore. The Group is committed, under outstanding forward contracts from a company under common control, to sell 2.07 million tons of iron-ore swap at average prices of U$83.71/t. These contracts are designed to hedge the market risk of movements on the spot price of iron ore.

29. AMOUNTS TRANSFERRED TO LONG-TERM ASSETS

During the year expenses such as Interest $8,798,016, Depreciation $27,496,789 and Salaries $19,090,329 were transfered to long term assets.

continued...

30. ASSET RETIREMENT OBLIGATIONS

The Group accrued an estimated liability related to the mine rehabilitation and closure plan of the DSO Project based on the total future remediation cost using a 2.35% (2019: 2.35%) discount rate (10 Year Zero Coupon Bond Yield) and a 2.2% inflation rate. The carrying value will be amortised over the expected mine life of 15 years.

31. LETTER OF CREDIT

As on 31st March 2020, the company was contingently liable for letters of credit issued in the aggregate amount of USD 101,876,315