
URU METALS LIMITED

Interim Results for Period Ended 30 September 2021

URU Metals Limited
Chairman's Statement
For the Period Ended 30 September 2021

I am pleased to present to our shareholders and stakeholders the consolidated financial statements of the Group for the six months ended 30 September 2021.

In August 2021, URU successfully completed the disposal of the Zebediela Nickel Project (“Project”) to Zeb Nickel Corp. (TSX-V: ZBNI) and the Project remains the primary focus of URU, through its 74.82% interest in Zeb Nickel Corp. and URU’s continuing role as the technical operator of the Project.

The long-term fundamentals for nickel sourced from Class I nickel sulphide deposits remains good, based on the surging demand for nickel for batteries in electric vehicles and other energy storage applications. On the back of these excellent fundamentals, the Company looks forward to commencing with the 3,600 m diamond exploration drilling program, which is scheduled to commence in H2 2021. The aim of this program is to improve the confidence in the historical NI43-101 compliant resource, as well as explore for higher grade nickel sulphide mineralisation found in Critical Zone rocks which are located in the footwall to the existing resource. The presence of Critical Zone rocks on the Zebediela Project area is exciting; these Critical Zone rocks host the Platinum Group Element and Nickel Copper mineralisation that is being exploited at Anglo American’s flagship Mogalakwena Mine, as well as Ivanhoe Mines’ Platreef Project, located immediately west of the Zebediela Project.

Good progress has been made on advancing the Mining Right application, and all required documentation has been submitted to the South African Department of Mineral Resources (DMRE). Consultation with Interested and Affected Parties (I&AP’s) continues, as the Company continues to build on its good relationship with host communities and its “social license to operate”.

Additionally, during the period ending 30 September 2021, the South African Department of Mineral Resources (“DMRE”) has accepted an application for a Prospecting Right over ten portions of the farm Piet Potgietersrust Town and Townlands 44 KS, totalling 246 hectares. The Prospecting Right under application is immediately south of the Zebediela Project, and located approximately 4 km east of Ivanhoe Mines Platreef Project, and approximately 20 km south of Anglo American Platinum’s Mogalakwena Mine. A brief Environmental Impact Assessment and a Final Environmental Report were submitted and the Company is now awaiting for the DMRE to award the Prospecting Right.

The Company looks forward to updating the market with news flow emanating from the drilling program on Zebediela, as well as receiving a granted Mining Right from the DMRE.

Jay Vieira

Non-executive Chairman

31 December 2021

URU METALS LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS

PERIOD ENDED 30 SEPTEMBER 2021

(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 2021
(Unaudited)

	Six months ended 30 September 2021 \$'000	Six months ended 30 September 2020 \$'000
Administrative expenses	(273)	(302)
Listing expense	(521)	
Operating loss before below items	(794)	(302)
Loss on settlement of debt with share (note 9)	-	(1,508)
Net loss for the period	(794)	(1,810)
Other comprehensive income		
Items that will be reclassified subsequently to income		
Effect of translation of foreign operations	(277)	177
Other comprehensive income for the period	(277)	177
Total comprehensive loss for the period	(1,071)	(1,633)
Comprehensive loss attributable to :		
Shareholders of the Company	(867)	(1,633)
Non-controlling interest	(204)	-
Total comprehensive loss	(1,071)	(1,633)
Basic and diluted net loss per share (USD cents)	(0.53)	(1.34)
Weighted average number of common shares outstanding	1,646,691	1,347,591

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 2021
Unaudited

	As at 30 September 2021 \$'000	As at 31 March 2021 \$'000
ASSETS		
Non-current assets		
Intangible assets (note 7)	3,822	3,774
Total non-current assets	3,822	3,774
Current assets		
Trade and other receivables (note 8)	123	95
Restricted cash (note 14)	746	-
Cash and cash equivalents	1,956	99
Total current assets	2,825	194
Total assets	6,647	3,968
EQUITY AND LIABILITIES		
Equity		
Share capital (note 11)	7,815	7,815
Share premium (note 11)	48,070	48,070
Non-controlling interest (note 10)	2,605	-
Other reserves (note 12)	1,316	1,586
Accumulated deficit	(55,882)	(55,222)
Total equity	3,924	2,249
Current liabilities		
Trade and other payables (note 13)	1,477	1,443
Due to related party (note 14)	746	-
Convertible loan note (note 9)	500	276
Total liabilities	2,723	1,719
Total equity and liabilities	6,647	3,968

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 31 December 2021:

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 2021
Unaudited

	Six months ended 30 September 2021 \$'000	Six months ended 30 September 2020 \$'000
Cash flows from operating activities		
Net loss for the period	(794)	(1,810)
Adjustments for:		
Depreciation	-	7
Stock-based compensation	7	11
Interest expense and finance charges	-	17
Accretion expense	(26)	
Listing expense	414	-
Loss on settlement of debt with shares	-	1,508
Changes in non-cash working capital items:		
Increase in receivables	(28)	(12)
Increase in restricted Cash	(746)	-
Increase in trade and other payables	21	94
Net cash used in operating activities	(1,152)	(185)
Investing activities		
Purchase of intangible assets	(141)	(164)
Cash obtained upon acquisition of subsidiary	146	
Net cash used in investing activities	5	(164)
Financing activities		
Net proceeds from private placement	2,137	247
Proceeds from due to related party	746	
Proceeds from exercise of stock options in subsidiary	55	
Net proceeds from convertible debentures	250	250
Net cash generated by financing activities	3,188	497
Loss on exchange rate changes on cash and cash equivalents	(184)	9
Net decrease in cash and cash equivalents	2,603	157
Cash and cash equivalents, beginning of period	99	66
Cash and cash equivalents, end of period	1,956	223

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 2021
Unaudited

Equity attributable to shareholders

	Share Capital \$'000	Share Premium \$'000	Equity Portion of Convertible Loan Note \$'000	Share Option and Warrants Reserve \$'000	Foreign Currency Translation Reserve \$'000	Accumulated Deficit \$'000	Total \$'000
At 31 March 2020	7,806	46,938	-	2,461	(1,376)	(54,571)	1,258
Common shares issued in private placement, net of cost	2	232	-	-	-	-	234
Fair value of warrants issued in private placement	-	(94)	-	94	-	-	-
Common shares and warrants issued in settlement of debt	5	1,157	-	781	-	-	1,943
Stock-based compensation	-	-	-	11	-	-	11
Equity portion of Convertible Loan Note	-	-	34	-	-	-	34
Net loss and comprehensive loss for the period	-	-	-	-	177	(1,810)	(1,633)
At 30 September 2020	7,813	48,233	34	3,347	(1,199)	(56,381)	1,847

	Share Capital \$'000	Share Premium \$'000	Share Option and Warrants Reserve \$'000	Foreign Currency Translation Reserve \$'000	Non-controlling Interest \$'000	Accumulated Deficit \$'000	Total \$'000
At 31 March 2021	7,815	48,070	2,483	(897)	-	(55,222)	2,249
Acquisition of non-controlling interest in Zeb Nickel	-	-	-	-	586	-	586
Increase of non-controlling interest through private placement in Zeb Nickel	-	-	-	-	2,137	-	2,137
Increase of non-controlling interest through exercise of stock options in Zeb Nickel	-	-	-	-	16	-	16
Stock-based compensation	-	-	7	-	-	-	7
Net loss and comprehensive loss for the period	-	-	-	(277)	(134)	(660)	(1,071)
At 30 September 2021	7,815	48,070	2,490	(1,174)	2,605	(55,882)	3,924

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

URU Metals Limited
Notes to Condensed Consolidated Interim Financial Statements
30 September 2021
Unaudited

1. General information

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

The unaudited condensed consolidated interim financial statements of the Group for the period ended 30 September 2021 comprise the Company and its subsidiaries.

2. Nature of operations

During the six months ended 30 September 2021, 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.

In August 2021, Blue Rhino Capital Corp. (renamed Zeb Nickel Corp.) completed its acquisition of the Company’s subsidiary, Zeb Nickel Company (Pty) Ltd. (“Zeb Nickel”).

Immediately prior to completion of the acquisition Zeb Nickel completed a consolidation of its issued and outstanding Common Shares on the basis of one new post-consolidation Common Share for every 2.3 pre-consolidation Common Shares (the “Consolidation”). The Consolidation reduced the number of outstanding Common Shares from 5,400,000 to 2,347,826.

In connection with the completion of the transaction, Zeb Nickel completed a private placement financing of 11,200,000 subscription receipts at price of CAD\$0.25 per receipt for gross proceeds of CAD\$2,800,000. The proceeds from the placement financing were released from escrow, following Zeb Nickel Corp. receiving all applicable regulatory approvals and completing the transaction.

The Company now holds 41,000,000 Common Shares in Zeb Nickel Corp. through its wholly owned subsidiary Floza Capital Management Limited representing approximately 74.82% of the issued and outstanding Common Shares of Zeb Nickel Corp.

URU Metals Limited
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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.

The policies applied in these unaudited condensed consolidated interim financial statements are based on IFRSs issued and outstanding as of 31 December 2021, 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 2021. Any subsequent changes to IFRS that are given effect in the Company’s annual consolidated financial statements for the year ending 31 March 2022 could result in restatement of these unaudited condensed consolidated interim financial statements.

(b) Adoption of new accounting policies

Non-controlling interest

The non-controlling interest, which represent the portion of net income and net assets in subsidiaries that are not 100% owned by the Company, is reported separately within equity in the consolidated statement of financial position.

For business combination including the non-controlling interest, the acquirer measures the non-controlling interest in the acquire either at fair value or at the proportionate share of the acquirer’s identifiable net assets.

(c) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on the Group in the current or future reporting periods.

URU Metals Limited
Notes to Condensed Consolidated Interim Financial Statements
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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 \$1,956,000 (31 March 2021 - \$99,000), which represent the maximum credit exposure on these assets. As at 30 September 2021, 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.

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 2021				
Trade and other payables	1,477	1,477	1,477	-
Convertible loan note	500	500	-	500
Due to related party	746	746	746	-
31 March 2021				
Trade and other payables	1,443	1,443	1,443	-
Convertible loan note	276	276	276	-

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.

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4. Financial risk management (continued)

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	ZAR	GBP	SEK	CAD	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 September 2021						
Cash and cash equivalents	17	-	18	-	1,921	1,956
Trade and other receivables	-	-	-	-	123	123
Trade and other payables	(29)	(107)	(345)	(71)	(925)	(1,477)
Convertible loan note	(500)	-	-	-	-	(500)
Due to related party	(746)	-	-	-	-	(746)
31 March 2020						
Cash and cash equivalents	78	-	17	-	4	99
Trade and other receivables	-	-	-	-	95	95
Trade and other payables	(25)	(247)	(423)	(50)	(698)	(1,443)
Convertible loan note	(276)	-	-	-	-	(276)

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.

URU Metals Limited
Notes to Condensed Consolidated Interim Financial Statements
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Unaudited

4. Financial risk management (continued)

	30 September 2021		30 September 2020	
	Equity	Profit or loss	Equity	Profit or loss
	\$'000	\$'000	\$'000	\$'000
USD	-	126	-	-
GBP	-	33	-	45
CAD	-	(187)	-	49
ZAR	-	11	-	22
SEK	-	7	-	5

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 2021 there were no changes in the Group's approach to capital management.

URU Metals Limited
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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 2020 and 30 September 2019 none of the options had a dilutive effect on the loss.

	Six months ended 30 September 2021	Six months ended 30 September 2020
Loss used in calculating basic and diluted earnings per share (\$'000)	(794)	(1,810)
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	1,646,691	1,347,591
Weighted average number of shares for the purpose of diluted earnings per share	1,646,691	1,347,591
Basic loss per share (US dollars)	(0.53)	(1.34)
Diluted loss per share (US dollars)	(0.53)	(1.34)

7. Intangible assets

Exploration costs

<i>COST</i>	\$'000
At 31 March 2021	6,560
Additions	141
Foreign exchange	(129)
At 30 September 2021	6,572
ACCUMULATED AMORTISATION AND IMPAIRMENT	\$'000
At 31 March 2021	2,786
Foreign exchange	(36)
At 30 September 2021	2,750
CARRYING VALUE	\$'000
At 31 March 2021	3,774
At 30 September 2021	3,822

7. Intangible assets (continued)

South African Projects

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

The Zebediela Nickel Project extends over three separate adjacent prospecting rights in the Limpopo Province of South Africa. All three rights are now held by Lesego Platinum Uitloop Pty ("LPU"), which in turn is 100% owned by UML and which in turn is 100% owned by Zeb Nickel Company (Pty) Ltd. from 6 November 2020.

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 2021, 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 DMRE in respect of some or all of the rights, or 3) an effective change of control of the Group occurs. As at 31 March 2021 none of the above conditions have occurred.

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;

URU Metals Limited
Notes to Condensed Consolidated Interim Financial Statements
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7. Intangible assets (continued)

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 DMRE had formally approved and executed the renewal of the primary prospecting right. The right will expire on 2 December 2021.

On 19 February 2020, the DMRE formally accepted the Final Scoping Report and granted approval for the Environmental Impact Assessment (EIA) phase to proceed. An extension was granted on 28 August 2020 for the delays caused by the COVID-19 lockdown measures.

On 18 January 2021, the DMRE formally acknowledged receipt of the EIA which was formally submitted on 15 January 2021.

8 Trade and other receivables

	30 September	31 March
	2021	2021
	\$'000	\$'000
Other receivables	123	95

9. Convertible loan note

On 6 May 2020, the Company issued a convertible loan note ("Convertible Loan Note") for \$250,000 to Boothbay Absolute Return Strategies LP ("Boothbay"). The Convertible Loan Note can be increased to \$500,000 prior to the maturity of the Loan Note on 31 May 2021 or such later date as the Company may in its sole discretion determine. The Convertible Loan Note is unsecured, bears no interest and is convertible at the lower of:

- (i) a voluntary conversion price triggered on serving a conversion notice (being 85 pence per share for a period of 90 days from the date of the Loan Note ("Notice Period"); and following expiry of the 90 day period, a 35% discount to the Volume Weighted Average Price ("VWAP") per share in the 5 trading days prior to the noteholder serving a conversion notice);
- (ii) on an equity fund raising of not less than US\$5 million (excluding a Loan Note conversion), a 35% discount to the price per share paid by investors on such a fund raising;
- (iii) on a share sale (meaning a sale of Ordinary Shares giving control of the Company, whether for cash and/or by way of exchange for shares in another company and/or for other consideration, and whether or not control of the Company changes as a result of such transaction), a 35 per cent. discount to the price per share paid on the share sale; or
- (iv) if there is no conversion notice served, fund raising or share sale prior to the maturity date, at a 35% discount to the VWAP per share in the 5 trading days prior to the maturity date.

On 6 August 2020, the Company extended the Notice Period relating to the Convertible Loan Note, as previously announced on 6 May 2020, for a further 90 days with effect from 6 August 2020.

On 4 November 2020, the Company extended the notice period relating to the Convertible Loan Note, as previously announced on 6 May 2020 and extended on 6 August 2020, for a further 90 days with effect from 4 November 2020.

On 26 May 2021 the Company increased the Convertible Loan Note to \$500,000 and extended the notice period relating to the Convertible Loan Note, as previously announced on 6 May 2020 and extended on 6 August 2020 and 4 November 2020, to 31 May 2022.

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10. Reverse take-over (RTO) and non-controlling interest

On August 1, 2021, Blue Rhino Capital Corp. (“Blue Rhino”) (renamed Zeb Nickel Corp.), a Capital Pool Company incorporated under the Business Corporations Act (British Columbia) completed its acquisition of the Company’s subsidiary, “Zeb Nickel” by way of issuing 41,000,000 common shares of Blue Rhino (“The Transaction”). As a result, the shareholders of Zeb Nickel acquired control of Blue Rhino, thereby constituting an RTO. The Transaction is considered a purchase of the Company’s net assets by the Zeb Nickel shareholders. The Transaction is accounted for in accordance with guidance with provided in *IFRS 2, Share-Based Payment* as the Company did not qualify as a business according to the definition in *IFRS 3, Business Combinations*. For RTO accounting purposes, the Transaction is recognized as if Zeb Nickel had proceeded to issue the Blue Rhino’s shares outstanding before the Transaction in exchange for the net assets acquired. The fair value of the 2,347,828 common shares of the Company was determined to be \$0.25 per common share, based on the fair value at August 1, 2021.

Consideration paid	\$
Fair value of Blue Rhino common shares, agent warrants and stock options	536
Identifiable assets acquired	\$
Cash	146
Trade and other payables	(13)
Net assets acquired	133
Unidentified assets acquired	
Share listing expense	403
Total net identifiable assets and share listing costs	536

The Company recorded the fair value of consideration for acquisition of Blue Rhino as non-controlling interest. The continuity of non-controlling interest is as follows:

	Amount (\$)
As at 31 March 2021	-
RTO of Blue Rhino	536
Shares issued for finder’s fees in the RTO	50
Private placement in Zeb Nickel	2,137
Increase of NCI due to exercise of stock options in Zeb Nickel	16
Loss attributable to NCI shareholders during the period	(134)
As at 30 September 2021	2,605

URU Metals Limited
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11. Share capital and share premium

	Number of shares	Share capital \$'000	Share premium \$'000	Total \$'000
At 31 March 2021	1,646,691	7,815	48,070	55,885
At 30 September 2021	1,646,691	7,815	48,070	55,885

Issued shares

All issued shares are fully paid up.

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

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 2020 (30 September 2019 - \$nil).

12. 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 30 September 2021 and 31 March 2021.

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.

No stock options were granted during the six months ended 30 September 2021.

(i) Reconciliation of share options outstanding as at 30 September 2021:

Exercise prices (£)	Weighted average remaining life (years)	Number of options outstanding	Number exercisable
0.60	0.65	15,050	15,050
0.90	0.65	15,150	15,150
0.75	0.65	30,200	30,200

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12. Reserves (continued)

The inputs into the Black Scholes option pricing model for the options granted are as follows:

	April 2017	April 2017	October 2020
Exercise price (£)	60	90	49
Expected volatility	92.88%	92.88%	54.9%
Expected life	5 years	5 years	10 years
Risk-free interest rate	0.91%	0.91%	3.16%
Expected dividends	0.0%	0.0%	0.0%

(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 2021 and 30 September 2021	30,200	75

The following is a continuity of the Group's warrants granted under its Share Incentive Scheme.

	Number of options	Weighted average exercise price per share (£)
At 31 March 2021	705,882	0.85
At 30 September 2021	705,882	0.85

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12. Reserves (continued)

Reconciliation of warrants outstanding as at 30 September 2021:

Exercise price (£)	Weighted average remaining life (years)	Number of warrants outstanding	Number exercisable
0.85	0.60	705,882	705,882

(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.

13. Trade and other payables

	As at 30 September 2021 \$'000	As at 31 March 2021 \$'000
Other payables	680	435
Accruals	797	1,008
	1,477	1,443

14. Related party transactions

(a) Transactions with key management personnel

During the six months ended 30 September 2021, nil (six months ended 30 September 2020 - 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.

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14. Related party transactions (continued)

The following share options, granted to current and past directors and management, were outstanding as at 30 September 2021.

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. Kloemper	60	1,000	19 April 2022
H. Kloemper	90	1,000	19 April 2022

(b) Directors' remuneration

	Six months ended 30 September 2021	Six months ended 30 September 2020
	\$'000	\$'000
Fees for services as director	17	16
Basic salary	96	90
Total	113	106

Included in trade and other payables in note 14 are amounts accrued in respect of director fees and salary of directors' of the Company in the year totalling \$697,000 (31 March 2021: \$579,000) being amounts due to J.Zorbas (\$627,000 (31 March 2021: \$526,000)); J Vieira (\$45,000, (31 March 2021:\$36,000)); and K. Appleby (\$26,000 (31 March 2021: \$17,000)).

John Zorbas entered into a non-binding agreement with URU on 16 June 2021 and advanced the Company CAD 950,000 in cash, to be held in escrow or as restricted cash ("Restricted Cash") on 17 June 2021, pending formal agreements being entered into between Mr Zorbas and URU. The Restricted Cash was provided as a contingency fund to be used by URU in the event that the disposal of the Company's interest in the Zebediela nickel project was not completed or not completed within the timescale originally anticipated (see the RNS announcement of 3 March 2021 for details relating to the disposal of the Zebediela nickel project). As at 30 September 2021, the Company owed USD \$746,000 to J. Zorbas. The amount

was due on demand and none interest bearing. The amount has been presented as restricted cash as at 30 September 2021. Subsequent to 30 September 2021, in regards to the "Restricted Cash" the Company on 22 December entered into a formal agreement with John Zorbas ("Loan Agreement"), the CEO of URU, for the provision of a loan of USD \$746,000 ("Loan"). No interest is due from the Company in connection with the Loan, it is unsecured and no fee is payable to Mr Zorbas. The loan is repayable upon 30 days notice.

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14. Related party transactions (continued)

The provision of Restricted Cash and the subsequent Loan Agreement constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. Accordingly, the board of URU, with the exception of John Zorbas, having consulted with SP Angel, the Company's nominated adviser, consider that the terms of the provision of Restricted Cash and subsequent Loan Agreement are fair and reasonable insofar as its shareholders are concerned.

15. 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 2021 and 2020.

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 2021 and 2020 consisted of funding advanced from Corporate Office to Exploration.

(b) Operating segments

	Exploration		Corporate office		Total	
	2021	2020	2021	2020	2021	2020
Six months ended 30 September	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Depreciation	-	(7)	-	-	-	(7)
Reportable segment loss before tax	-	(7)	(794)	(1,803)	(794)	(1,810)

As at 30 September	Exploration		Corporate office		Total	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reportable segment assets	2,825	3,055	3,822	336	6,647	3,391
Reportable segment liabilities	(11)	(11)	(2,712)	(1,533)	(2,723)	(1,544)

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15. Segmental information (continued)

(c) Geographical segments

During the period ended 30 September 2021 and 2020, 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 2021 and assets and liabilities as at 30 September 2020:

	Canada	Sweden	South Africa	Total
	\$'000	\$'000	\$'000	\$'000
Net loss	(794)	-	-	(794)
Total assets	2,825	-	3,822	6,647
Non-current assets	-	-	3,822	3,822
Liabilities	(2,712)	(11)	-	(2,723)

The following table presents segmented information on the Company's operations and net loss for the period ended 30 September 2021 and assets and liabilities as at 30 September 2020:

	Canada	Sweden	South Africa	Total
	\$'000	\$'000	\$'000	\$'000
Net loss	(1,803)	-	(7)	(1,810)
Total assets	336	-	3,055	3,391
Non-current assets	41	-	3,055	3,096
Liabilities	(1,533)	(11)	-	(1,544)

17. Contingent liabilities

The Group is subject to the conditional consideration in respect of the acquisition of UML as detailed in note 7.