



URU METALS LIMITED:  
INTERIM RESULTS FOR  
PERIOD ENDED 30  
SEPTEMBER 2022

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**URU Metals Limited**  
**Chairman's Statement**  
**For the Period Ended 30 September 2022**

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I am pleased to present to our shareholders and stakeholders the consolidated financial statements of the Group for the period ended 30 September 2022.

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.

In 2021, the nickel sector had an outstanding year, with nickel prices reaching a seven-year high of over \$20,000 per tonne by year's end. We remain bullish on the long-term fundamentals for nickel sourced from Class I nickel sulphide deposits such as Zeb. The battery sector is currently the second largest demand driver for nickel and requires a Class I nickel product. Demand from the battery sector is projected to increase strongly in line with projected growing electric vehicle (EV) production numbers. Some estimates for the demand growth rate from the battery sector are around a compounded annual growth rate of almost 20% between 2020 and 2025 and around 9% between 2025 and 2040.

Based on a cost curve for 42% of global nickel production, and assuming a similar distribution for 100% of production, a long-term price floor at around 8 USD/lb. is forecast (Source: SP Global).

The Zebediela Nickel Project is well positioned to capitalise on the demand for Class I nickel. The discovery of Critical Zone rocks that host both nickel and platinum group metals (Ni-PGE) mineralisation have provided the Company with the opportunity to increase the overall grade, and hence basket price, of the Project, and will ultimately improve the economics of the Project.

Future drilling planned on the Project will target both the existing historical resource, termed Target 1, and the Critical Zone rocks, termed Target 2, which lie beneath Target 1. The Company aims to bring the historical resource into a current category, and target a maiden resource on Target 2, the success thereof will depend largely on the consistency of the Ni-PGE mineralisation.

The Company looks forward to the South African Department of Minerals and Energy issuing a Mining Right over the Project area in 2023, which will secure the mineral tenure for a further 30 years.

The Company believes that the Zebediela Nickel Project has the potential to be a world leader in green Class I nickel production, due to the opportunity for open pit mining powered by renewable energy in a mining friendly district. This will result in one of the lowest carbon footprint per pound nickel produced mines globally, with a strong focus on environmental, social and governance issues.

Jay Vieira

**Non-executive Chairman**  
**30 January 2023**

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**URU METALS LIMITED**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL**  
**STATEMENTS**

**PERIOD ENDED 30 SEPTEMBER 2022**

**(UNAUDITED)**

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**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 Statements of Comprehensive Loss**  
**For the Period Ended 30 September 2022**  
**(Unaudited)**

	<b>Six months ended 30 September 2022 \$'000</b>	<b>Six months ended 30 September 2021 \$'000</b>
Administrative expenses	(436)	(273)
Listing expense	-	(521)
Net loss for the period	(436)	(794)
<b>Other comprehensive income (loss)</b>		
<b>Items that will be reclassified subsequently to income</b>		
Effect of translation of foreign operations	(323)	(277)
Other comprehensive loss for the period	(323)	(277)
<b>Total comprehensive loss for the period</b>	<b>(759)</b>	<b>(1,071)</b>
<b>Net loss attributable to:</b>		
Shareholders of the Company	(372)	(867)
Non-controlling interest	(64)	(204)
<b>Total net loss</b>	<b>(436)</b>	<b>(1,071)</b>
Comprehensive loss attributable to:		
Shareholders of the Company	(693)	(867)
Non-controlling interest	(66)	(204)
<b>Total comprehensive loss</b>	<b>(759)</b>	<b>(1,071)</b>
<b>Basic and diluted net loss per share (USD dollars)</b>	<b>(0.26)</b>	<b>(0.48)</b>
<b>Weighted average number of common shares outstanding</b>	<b>1,646,691</b>	<b>1,646,691</b>

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

**URU Metals Limited**  
**Condensed Consolidated Interim Statements of Financial Position**  
**As at 30 September 2022**  
**(Unaudited)**

	As at 30 September 2022 \$'000	As at 31 March 2022 \$'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets (note 7)	4,538	4,687
<b>Total non-current assets</b>	<b>4,538</b>	<b>4,687</b>
<b>Current asset</b>		
Trade and other receivables (note 8)	187	204
Cash and cash equivalents	1,060	1,618
<b>Total current assets</b>	<b>1,247</b>	<b>1,822</b>
<b>Total assets</b>	<b>5,785</b>	<b>6,509</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital (note 11)	7,815	7,815
Share premium (note 11)	48,070	48,070
Non-controlling interest (note 10)	2,697	2,651
Equity portion of convertible debentures (note 9)	62	62
Other reserves (note 12)	1,275	1,595
Accumulated deficit	(56,859)	(56,487)
<b>Total equity</b>	<b>3,060</b>	<b>3,706</b>
<b>Current liabilities</b>		
Trade and other payables (note 13)	1,542	1,553
Due to related party (note 14)	693	760
Convertible loan note (note 9)	490	490
<b>Total liabilities</b>	<b>2,725</b>	<b>2,803</b>
<b>Total equity and liabilities</b>	<b>5,785</b>	<b>6,509</b>

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

**Approved on behalf of the Board on 30 January 2023:**

Jay Vieira,  
Non-executive Chairman

Kyle Appleby,  
Non-executive Director

**URU Metals Limited**  
**Condensed Consolidated Interim Statements of Cash flow**  
**For the period Ended 30 September 2022**  
**(Unaudited)**

	<b>Six months ended 30 September 2022 \$'000</b>	<b>Six months ended 30 September 2021 \$'000</b>
<b>Cash flows from operating activities</b>		
Net loss for the period	(436)	(794)
Adjustments for:		
Foreign exchange gain	(67)	-
Stock-based compensation	113	7
Interest expense and finance charges	-	-
Accretion expense	-	(26)
Listing expense	-	414
Changes in non-cash working capital items:		
Increase in receivables	17	(28)
Increase in restricted cash	-	(746)
Increase in trade and other payables	(11)	21
<b>Net cash used in operating activities</b>	<b>(384)</b>	<b>(1,152)</b>
<b>Investing activities</b>		
Purchase of intangible assets	(282)	(141)
Cash obtained upon acquisition of subsidiary	-	146
<b>Net cash used in investing activities</b>	<b>(282)</b>	<b>5</b>
<b>Financing activities</b>		
Net proceeds from private placement	-	2,137
Proceeds from due to related party	-	746
Proceeds from exercise of stock options in subsidiary	-	55
Net proceeds from convertible debenture	-	250
<b>Net cash generated by financing activities</b>	<b>-</b>	<b>3,188</b>
Loss on exchange rate changes on cash and cash equivalents	108	(184)
<b>Net decrease in cash and cash equivalent</b>	<b>(558)</b>	<b>1,857</b>
Cash and cash equivalents, beginning of period	1,618	99
<b>Cash and cash equivalents, end of period</b>	<b>1,060</b>	<b>1,956</b>

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**URU Metals Limited**  
**Condensed Consolidated Interim Statement of Changes in Equity**  
**For the Period Ended 30 September 2022**  
**(Unaudited)**

	Share Capital \$'000	Share Premium \$'000	Share Options and Warrants Reserves \$'000	Foreign Currency Translation Reserve \$'000	Equity portion of convertible debenture \$'000	Non- controlling Interest \$'000	Accumulated deficit \$'000	Total \$'000
<b>At 31 March 2021</b>	<b>7,815</b>	<b>48,070</b>	<b>2,483</b>	<b>(897)</b>	<b>-</b>	<b>-</b>	<b>(55,222)</b>	<b>2,249</b>
non-controlling interest upon acquisition of Blue Rhino	-	-	-	-	-	586	-	586.00
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
Equity portion of convertible debenture	-	-	-	-	-	-	-	-
Stock-based compensation	-	-	7	-	-	-	-	7
Net loss and comprehensive loss for the period	-	-	-	(277)	-	(134)	(660)	(1,071)
<b>At 30 September 30, 2021</b>	<b>7,815</b>	<b>48,070</b>	<b>2,490</b>	<b>(1,174)</b>	<b>-</b>	<b>2,605</b>	<b>(55,882)</b>	<b>3,924</b>

	Share Capital \$'000	Share Premium \$'000	Share Options and Warrants Reserves \$'000	Foreign Currency Translation Reserve \$'000	Equity portion of convertible debenture \$'000	Non- controlling Interest \$'000	Accumulated deficit \$'000	Total \$'000
<b>At 31 March 2022</b>	<b>7,815</b>	<b>48,070</b>	<b>2,495</b>	<b>(900)</b>	<b>62</b>	<b>2,651</b>	<b>(56,487)</b>	<b>3,706</b>
Increase of non-controlling interest through stock-based compensation in Zeb Nickel	-	-	-	-	-	112	-	112
Stock-based compensation	-	-	1	-	-	-	-	1
Net loss and comprehensive loss for the period	-	-	-	(321)	-	(66)	(372)	(759)
<b>At 30 September 2022</b>	<b>7,815</b>	<b>48,070</b>	<b>2,496</b>	<b>(1,221)</b>	<b>62</b>	<b>2,697</b>	<b>(56,859)</b>	<b>3,060</b>

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

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**URU Metals Limited**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**For the Period Ended 30 September 2022**  
**(Unaudited)**

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## **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 2022 comprise the Company and its subsidiaries.

## **2. Nature of operations**

During the six months ended 30 September 2022, 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
- 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 a 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.



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**URU Metals Limited**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**For the Period Ended 30 September 2022**  
**(Unaudited)**

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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 January 2023, 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 2022. Any subsequent changes to IFRS that are given effect in the Company’s annual consolidated financial statements for the year ending 31 March 2023 could result in restatement of these unaudited condensed consolidated interim financial statements.

#### (b) 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.

The International Accounting Standards Board (“IASB”) has issued/revised a number of relevant standards. Any standards that are not deemed relevant to the operations of the Group have been excluded. The Directors have chosen not to early adopt these standards and interpretations and they do not anticipate that they would have a material impact on the Company’s financial statements in the period of initial application.

	<u>Effective date</u>
IAS 1 - Presentation of Financial Statements – amendments regarding the classification of liabilities	1 January 2023
IAS 1- Presentation of Financial Statements – amendments regarding the disclosure of accounting policies	1 January 2023
IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors – amendments regarding the definition of accounting estimates	1 January 2023
IAS 37 - Provisions, Contingent Liabilities and Contingent Assets – amendments regarding the costs to include when assessing whether a contract is onerous	1 January 2022

**URU Metals Limited**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**For the Period Ended 30 September 2022**  
**(Unaudited)**

**4. Financial risk and 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 \$1,060,000 (31 March 2022: \$1,618,000), which represent the maximum credit exposure on these assets. As at 30 September 2022, 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
<b>30 September 2022</b>				
Trade and other payables	1,542	1,542	1,542	-
Due to related party	693	693	693	-
Convertible loan note	490	490	490	-
<b>31 March 2022</b>				
Trade and other payables	1,553	1,553	1,553	-
Due to related party	760	760	760	-
Convertible loan note	490	490	490	-

*Market risk*

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

Foreign currency rate risk

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

The Group does not hedge its exposure to currency risk.

**URU Metals Limited**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**For the Period Ended 30 September 2022**  
**(Unaudited)**

**4. Financial risk and management (continued)**

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:

	<b>USD</b>	<b>ZAR</b>	<b>GBP</b>	<b>SEK</b>	<b>CAD</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>30 September 2022</b>						
Cash and cash equivalents	115	-	9	-	936	1,060
Trade and other receivables	-	-	-	-	187	187
Trade and other payables	-	(132)	(95)	(59)	(1,256)	(1,542)
Convertible loan note	(490)	-	-	-	-	(490)
Due to related party	-	-	-	-	(693)	(693)
<b>31 March 2022</b>						
Cash and cash equivalents	10	-	37	-	1,571	1,618
Trade and other receivables	-	-	-	-	204	204
Trade and other payables	-	(20)	(235)	(65)	(1,233)	(1,553)
Convertible loan note	(490)	-	-	-	-	(490)
Due to related party	-	-	-	-	(760)	(760)

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**URU Metals Limited**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**For the Period Ended 30 September 2022**  
**(Unaudited)**

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**4. Financial risk management (continued)**

Interest rate risk

The financial assets and liabilities of the Group are subject to interest rate risk, based on changes in the prevailing interest rate. The Group does not enter into interest rate swap or derivative contracts. The primary goal of the Group's investment strategy is to make timely investments in listed or unlisted mining and mineral development properties to optimize 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.

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 foreign currency balances held using a 10% greater exchange rate to the USD. This analysis assumes that all other variables, in particular interest rates, remain constant.

	30 September 2022		31 March 2022	
	Equity \$'000	Profit or loss \$'000	Equity \$'000	Profit or loss \$'000
USD		107		126
GBP	-	9	-	33
CAD	-	13	-	(187)
SEK	-	6	-	7
ZAR	-	13	-	11

**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 2022 there were no changes in the Group's approach to capital management.

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**URU Metals Limited**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**For the Period Ended 30 September 2022**  
**(Unaudited)**

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**6. Loss 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 periods ended 30 September 2022 and 30 September 2021 none of the options had a dilutive effect on the loss in the two years.

	<b>Six months ended 30 September 2022 \$'000</b>	<b>Six months ended 30 September 2021 \$'000</b>
Loss used in calculating basic and diluted earnings per share (US dollars)	<b>(436)</b>	(794)
<b>Number of shares</b>		
Weighted average number of shares for the purpose of basic earnings per share	<b>1,646,691</b>	1,646,691
Weighted average number of shares for the purpose of diluted earnings per share	<b>1,646,691</b>	1,646,691
Basic loss per share (US dollars)	<b>(0.26)</b>	(0.48)
Diluted loss per share (US dollars)	<b>(0.26)</b>	(0.48)

**URU Metals Limited**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**For the Period Ended 30 September 2022**  
**(Unaudited)**

**7. Intangible assets**

*Exploration costs*

<b>COST (\$'000)</b>	<b>Zebediela Project</b>	<b>South Zeb Project</b>	<b>Total</b>
At 31 March 2022	7,420	71	7,491
Additions	282	-	282
Foreign exchange	(673)	(6)	(679)
At 30 September 2022	7,029	65	7,094

**ACCUMULATED AMORTISATION AND IMPAIRMENT (\$'000)**

At 31 March 2022	2,804	-	2,804
Foreign exchange	(248)	-	(248)
At 30 September 2022	2,556	-	2,556

**CARRYING VALUE (\$'000)**

At 31 March 2022	4,616	71	4,687
At 30 September 2022	4,473	65	4,538

**Zebediela 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) Ltd ("UMH"), which had title to the Zebediela licences through its subsidiary, Umnex Minerals Limpopo (Pty Ltd (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 74% 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. Lesego Platinum Uitloop has submitted a Mining Right Application over all three Prospecting Areas on various portions of the farms Uitloop 3 KS, Amatava 41 KS and Bloemhof 4 KS, and Piet Potgietersrus Town and Townlands 44 KS. The Mining Right Application was submitted to the DMRE on 26 July 2019 (reference number LP30/5/1/2/2/10174MR), the application was accepted on 21 August 2019 and is awaiting approval. The tenure of this area is secured by the acceptance of the Mining Right Application, in that no other party would be able to apply for these areas pending the processing of the Mining Right Application. The Mining Right Application consolidates the three Prospecting Areas as listed below into one Project. Until the Mining Right is granted, prospecting activities may continue under the approved and valid Prospecting Right.

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**URU Metals Limited**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**For the Period Ended 30 September 2022**  
**(Unaudited)**

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**7. Intangible assets (continued)**

**Zebediela Projects (continued)**

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 2022, 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 30 September 2022 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;
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 DMRE.

On 4 December 2018 the Company announced that the DMRE had formally approved and executed the renewal of the primary prospecting right. The right to prospect and develop the Project are now secured under the accepted Mining Right Application.

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.

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**77. Intangible assets (continued)**

**Zeb South Project**

Additionally, in the year, the DMRE has accepted an application for a Prospecting Right over ten portions of the farm Piet Potgietersrust Town and Townlands 44 KS, totaling 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.

The intangible assets useful lives are infinite and are not amortised.

**8. Trade and other receivables**

	<b>As at 30 September 2022 \$'000</b>	<b>As at 31 March 2022 \$'000</b>
Other receivables	<b>187</b>	<b>204</b>

**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% 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.



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**9. Convertible loan note (continued)**

On 24 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.

The Company accrued a transaction cost of \$12,500 which is included in trade and other payables.

During the year ended 31 March 2021, the Company recorded accretion of \$28,000 and amortisation of capitalised transaction costs of \$11,000 and as at 31 March 2021, the carrying value of the Convertible Loan Note was \$276,000.

During the year ended 31 March 2022, the Company recorded accretion of \$21,000 and as at 30 September 2022, the carrying value of the Loan Note was \$500,000.

On 31 May 2022, the Company extended the repayment date and long-stop date for conversion of the convertible loan notes to 31 May 2023. The date by which Boothbay has the right to convert funds due under the loan note at £0.85 per new ordinary share of the Company has also been extended to 31 May 2023. As consideration for the extension Boothbay has agreed: (i) to pay to URU consideration of US\$100,000 (the "Extension Fee"); and (ii) agreed that it will not convert sums due to Boothbay under the convertible loan note on or prior to 31 August 2022.

**10. Transaction with Zeb Nickel Company (Pty) Ltd. and non-controlling interest**

On 1 August 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. The Transaction is considered a purchase of the Blue Rhino's net assets by the Zeb Nickel shareholders. The Transaction is accounted for in accordance with guidance provided in *IFRS 2, Share-Based Payment* as Blue Rhino did not qualify as a business according to the definition in *IFRS 3, Business Combinations*. The Transaction, for accounting purpose, is recognised 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 Blue Rhino was determined to be \$0.25 per common share, based on the fair value at 1 August 2021.

<b>Consideration paid</b>	<b>\$</b>
Fair value of Blue Rhino common shares, agent warrants and stock options	548
<b>Identifiable assets acquired</b>	<b>\$</b>
Cash	108
Trade and other payables	(54)
<b>Net assets acquired</b>	<b>54</b>
<b>Unidentified assets acquired</b>	
Share listing expense	494
<b>Total net identifiable assets and share listing costs</b>	<b>494</b>

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**10. Transaction with Zeb Nickel (Pty) Limited and non-controlling interest (continued)**

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 (\$)
<b>As at 31 March 2021</b>	-
Acquisition of Blue Rhino	548
Increase through private placement	2,151
Increase through exercise of warrants	5
Increase through stock-based compensation	168
Increase through exercise of stock options	16
Loss attributable to NCI shareholders during the period	(237)
<b>As at 31 March 2022</b>	2,651
Increase through stock-based compensation	112
Loss attributable to NCI shareholders during the period	(66)
<b>As at 30 September 2022</b>	<b>2,697</b>

**4. Share capital and share premium**

	Number of shares	Share capital \$'000	Share premium \$'000	Total \$'000
At 31 March 2021, 30 September 2021, 31 March 2022 and 30 September 2022	1,646,691	7,815	48,070	55,885

On 6 May 2020, the Company raised approximately £200,000 through the subscription for 235,294 ordinary shares at £0.85 per share. Each share has an attached warrant with an exercise period of 18 months and are exercisable at £0.85. The Company also issued 470,588 ordinary shares at £0.85 per share to Alegana Enterprises Limited (a company controlled by J. Zorbas) in lieu of unpaid director fees and salaries, as detailed in note **Error! Reference source not found.** Each share has an attached warrant with an exercise period of 18 months and are exercisable at £0.85.

On 25 November 2020 the company raised £280,600 through the subscription of 122,000 shares at a price of £2.30 per share.

On 26 November 2020 the Company issued 32,858 shares at £2.45 per share in settlement of accrued management fees and issued 5,380 shares at £2.30 per share in settlement of fees due to an adviser.

*Issued shares*

All issued shares are fully paid up.

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

*Unissued shares*

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

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*Dividends*

Dividends declared and paid by the Group were \$nil for the six months ended 30 September 2022 (six months ended 30 September 2021 - \$nil).

**5. 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 2022 and 31 March 2022.

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 2022 and no stock options were outstanding as at 30 September 2022.(i) Continuity and exercise price of stock options

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

	<b>Number of options</b>	<b>Weighted average exercise price per share (£)</b>
As 31 March 2021, 30 September 2022, 31 and March 2022	30,200	0.75
Expired	(30,200)	0.75
<b>As at 30 September 2022</b>	<b>-</b>	<b>-</b>

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**5. Reserves (continued)**

(ii) The following is a continuity of the Group's warrants granted.

	Number of warrants	Weighted average exercise price per share (£)
At 31 March 2021, 30 September 2022, 31 March 2022 and 30 September 2022	705,882	0.85

(iii) Reconciliation of warrants outstanding as at 30 September 2022:

Exercise price (£)	Weighted average remaining life (years)	Number of warrants outstanding	Number exercisable
0.85	0.10	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 2022 \$'000	As at 31 March 2022 \$'000
Trade and other payables	605	650
Accruals	937	903
	<b>1,542</b>	<b>1,553</b>

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**14. Related party transactions**

*(a) Transactions with key management personnel*

During the six months ended 30 September 2022, nil (six months ended 30 September 2021 - 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. The share options granted in the year ended 31 March 2018 expired on 19 April 2022. During the six months ended 30 September 2022, \$9,000 (six months ended 30 September 2021: \$9,000) of accounting fees were incurred with MSSI and as at 30 September 2022, \$50,000 (31 March 2022: \$36,000) was payable to MSSI.

*(b) Directors' remuneration*

	<b>Six months ended 30 September 2022 \$'000</b>	<b>Six months ended 30 September 2021 \$'000</b>
Fees for services as director	15	17
Basic salary	92	96
<b>Total</b>	<b>107</b>	<b>113</b>

The directors consider that key management personnel are the directors themselves and J. Peng, as detailed above.

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 \$820,000 (31 March 2022: \$796,000) being amounts due to J. Zorbas \$736,000 (31 March 2022:\$711,000); J Vieira \$50,000, (31 March 2022:\$52,000); and K. Appleby \$34,000 (31 March 2022: \$33,000).

At 30 September 2022, the Company was owed \$39,000 (31 March 2022: \$43,000) by Captor Capital Corp. a company of which J. Zorbas is a shareholder and Chief Executive Officer.

J. Zorbas entered into an agreement with the Company for the provision of a loan in the amount of CAD 950,000 on 22 December 2021. As at 30 September 2022, the Company owed USD \$693,000 (31 March 2022: \$760,000) to J. Zorbas. The amount is repayable on demand, bears no interest, is unsecured and no fee is payable to J. Zorbas. The loan is repayable upon 30 days' notice.

Post year end, a related party company of which J. Zorbas is a shareholder and Chief Executive Officer provided written confirmation of financial support as detailed in note 21.

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**65. 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 licenses and exploring these license 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 2022 or 2021.

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

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**65. Segmental information (continued)**

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 period ended 30 September 2022 and 2021 consisted of funding advanced from Corporate Office to Exploration.

(b) Operating segments

	Exploration		Corporate office		Total	
	2022	2021	2022	2021	2022	2021
<b>Six months ended 30 September</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Depreciation	-	(7)	-	-	-	(7)
Reportable segment loss before tax	-	-	(436)	(794)	(436)	(794)

<b>As at 30 September</b>	Exploration		Corporate office		Total	
	2022	2021	2022	2021	2022	2021
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Reportable segment assets	4,538	2,825	1,247	3,822	5,785	6,647
Reportable segment liabilities	(11)	(11)	(2,714)	(2,712)	(2,725)	(2,723)

(c) Geographical segments

During the periods ended 30 September 2022 and 2021, 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 2022 and assets and liabilities as at 30 September 2022:

	Canada	Sweden	South Africa	Total
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Net loss	(436)	-	-	(436)
Total assets	1,247	-	4,538	5,785
Non-current assets	-	-	4,538	4,538
Liabilities	(2,712)	(11)	-	(2,725)

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
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
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)

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**16. Contingent liabilities**

The Group is subject to the conditional consideration in respect of the acquisition of UML as detailed in note **Error! Reference source not found.**

**17. Event after the reporting date**

Post year end, a related party company of which J. Zorbas is a shareholder and Chief Executive Officer provided written confirmation of financial support, up to \$750,000, to the Group to enable it to continue to trade and meet its liabilities as they fall due, for a period of at least one year from the date of signing of these financial statements. Any loan provided in that period will be interest free, unsecured and will only be repayable after a period of at least one year from the date of signing of these financial statements. The related party company is a related party as defined by IAS 24 'Related party disclosures' and not for the purposes of the AIM Rules for Companies.