

URU Metals Limited / Index: AIM / Epic: URU / Sector: Natural Resources

31 December 2015

URU Metals Limited (“URU Metals” or “the Company”)

Interim Results

URU Metals, the multi-commodity exploration and development company, is pleased to announce its interim results for the six months ended 30 September 2015.

Chairman’s Statement

I am pleased to present to our shareholders and stakeholders the condensed consolidated interim financial statements of the Company for the six months ended September 30, 2015 (“the Period”).

The period since prior year ended March 31, 2015 has continued to be very difficult for the mineral industry. Despite the challenging environment in the mining industry, the Company successfully completed a financing as discussed below.

Highlights

The highlight of our progress during the six months ended September 30, 2015 and to the date of this report can be summarized as follows:

- Due to the continued decline of the prices of oil and uranium, the Company wrote off US\$890,000 intangible assets related to the licences in its subsidiary in Sweden, Svenska Skifferoljeaktiebolaget as management believe they are no longer recoverable.
- On October 30, 2015, the Company raised GBP400,000 from institutional and other investors through a placing of 100 million new shares at GBP0.004 per share (“the Placing”).
- The funds in October 2015 will be used to further the Zebediela Project exploration program. Drilling and additional metallurgical work are expected to start towards the end of January 2016.

Outlook

At the reporting date, the Company had cash resources of US\$382,000 and no bank borrowings. Post period end, in October 2015, the Company raised GBP400,000 through a placing of new shares (as referred to above).

Despite the challenging environment, URU continues to believe that the long-term fundamentals of the base minerals industries remain positive and will be working hard in the coming year to unlock the value of our projects for our shareholders. The Company maintains its core strategy to develop uranium and nickel assets, as there is a growing supply gap in the uranium market that

cannot be filled by current and future planned production, and the Board anticipates growing demand and price appreciation for uranium and nickel in the short to medium term.

David Subotic

Chairman

December 30, 2015.

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SIX MONTHS ENDED SEPTEMBER 30, 2015

(EXPRESSED IN UNITED STATES DOLLARS)

(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.

Condensed Consolidated Interim Statements of Financial Position

	As at September 30, 2015	As at March 31, 2015
ASSETS		
Non-current assets		
Intangible assets (note 7)	\$ 2,812	\$ 4,039
Total non-current assets	2,812	4,039
Current assets		
Receivables (note 8)	30	2
Cash and cash equivalents	382	574
Total current assets	412	576
Total assets	\$ 3,224	\$ 4,615
EQUITY AND LIABILITIES		
Equity		
Share capital and premium (note 9)	\$ 49,950	\$ 49,950
Reserves (note 10)	1,006	1,342
Accumulated deficit	(48,344)	(47,198)
Total equity	2,612	4,094
Current liabilities		
Trade and other payables (note 11)	455	379
Total liabilities	455	379
Non-current liabilities		
Contingent consideration on SSOAB purchase (note 12)	157	142
Total liabilities	612	521
Total equity and liabilities	\$ 3,224	\$ 4,615

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

Nature of operations and going concern (note 2)

Commitment (note 15)

Subsequent event (note 16)

Approved on behalf of the Board:

"David Subotic", Chairman

"Jay Vieira", Director

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

Six months ended	Six months ended
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	September 30, 2015	September 30, 2014
Administrative expenses	\$ (256)	\$ (465)
Operating loss before the following items	(256)	(465)
Financing costs	-	(12)
Impairment of intangible assets (note 7)	(890)	-
Net loss for the period	(1,146)	(477)
Other comprehensive loss		
Items that will be reclassified subsequently to income		
Effect of translation of foreign operations	(336)	(395)
Other comprehensive loss for the period	(336)	(395)
Total comprehensive loss for the period	\$ (1,482)	\$ (872)
Basic and diluted net loss per share (USD cents)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	228,960,379	215,573,125

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

Condensed Consolidated Interim Statements of Cash Flows

	Six months ended September 30, 2015	Six months ended September 30, 2014
Operating activities		
Net loss for the period	\$ (1,146)	\$ (477)
Items not involving cash:		
Share-based payments	-	98
Depreciation	-	4
Interest accretion on long-term liability	18	-
Shares issued for professional fees	-	248
Impairment of intangible assets	890	-
Changes in non-cash working capital items:		
(Increase) decrease in receivables	(28)	21
Increase (decrease) in trade and other payables	76	(147)
Net cash used in operating activities	(190)	(253)
Investing activities		
Capitalisation of exploration costs	-	(45)
Net cash used in investing activities	-	(45)
Financing activities		
Proceeds from private placement, net of transaction costs	-	639
Net cash provided by financing activities	-	639
Gain on exchange rate changes on cash and cash equivalents	(2)	(230)
Net change in cash and cash equivalents	(192)	111
Cash and cash equivalents, beginning of period	574	240
Cash and cash equivalents, end of period	\$ 382	\$ 351

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

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

Equity attributable to shareholders

	Share Capital	Share Premium	Share Option Reserve	Foreign Currency Translation Reserve	Accumulated Deficit	Total
Balance, March 31, 2014	\$ 1,328	\$ 46,196	\$ 2,209	\$ (333)	\$ (46,069)	\$ 3,331
Shares issued for acquisition of UML	412	810	-	-	-	1,222
Shares issued in private placement	543	831	-	-	-	1,374
Shares issued for professional service	7	7	-	-	-	14
Transaction costs incurred for private placement	-	(184)	-	-	-	(184)
Share-based payment	-	-	98	-	-	98
Net loss and comprehensive loss for the period	-	-	-	(395)	(477)	(872)
Balance, September 30, 2014	\$ 2,290	\$ 47,660	\$ 2,307	\$ (728)	\$ (46,546)	\$ 4,983
Balance, March 31, 2015	\$ 2,290	\$ 47,660	\$ 2,307	\$ (965)	\$ (47,198)	\$ 4,094
Net loss and comprehensive loss for the period	-	-	-	(336)	(1,146)	(1,482)
Balance, September 30, 2015	\$ 2,290	\$ 47,660	\$ 2,307	\$ (1,301)	\$ (48,344)	\$ 2,612

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

Notes to Condensed Consolidated Interim Financial Statements September 30, 2015

1. General information

URU Metals Limited (the "Company", or "URU Metals"), formerly known as Niger Uranium Limited, and before that, as UraMin Niger Limited, was incorporated in the British Virgin Islands ("BVI") on May 21, 2007. The Company's shares were admitted to trading on AIM, a market operated by the London Stock Exchange on September 12, 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 702-85 Richmond Street West, Toronto, Ontario, Canada, M5H 2C9.

The unaudited condensed consolidated interim financial statements of the Company as at and for the six months ended September 30, 2015 comprise the Company and its subsidiaries. These unaudited condensed consolidated interim financial statements (including the notes thereto) of the Company were approved by the Board of Directors on December 31, 2015.

2. Nature of operations and going concern

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 Company 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.

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern which contemplates that the Company will be able to realize its assets and settle its liabilities in the normal course as they come due for the foreseeable future. As of September 30, 2015 the Company has no source of revenues or operating cash flows, incurred losses from continuing operations of \$1,146,000 for the six months ended September 30, 2015, has accumulated losses of \$48,344,000 (March 31, 2015 - \$47,198,000) and expects to incur further losses in the development of its business. Management is aware, in making its assessment to continue as a going concern, of material uncertainties related to events or conditions that

may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon the Company obtaining additional equity or debt financing and/or new strategic partners. There is no assurance that management will be successful in obtaining such financings and this may result in the Company not meeting its operational and capital requirements.

These unaudited condensed consolidated interim financial statements do not include any adjustments or disclosures that may result should the Company not be able to continue as a going concern. If the going concern assumption were not appropriate for these unaudited condensed consolidated interim financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the expenses, the reported comprehensive loss and financial position classifications used that would be necessary if the company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. These adjustments could be material.

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

The Company 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 Company's projects and continue as a going concern.

3. Basis of preparation

(a) Statement of compliance

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

The policies applied in these unaudited condensed consolidated interim financial statements are based on IFRSs issued and outstanding as of December 31, 2015, 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 March 31, 2015. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending March 31, 2016 could result in restatement of these unaudited condensed consolidated interim financial statements.

(b) New accounting standard issued but not yet effective

IFRS 9 – Financial Instruments: Classification and Measurement ("IFRS 9")

IFRS 9 was issued in November 2009, and will replace IAS 39 - Financial Instruments: Recognition and Measurement. IFRS 9 is effective for periods beginning on or after January 1, 2018. The Company is evaluating the impact of the amendments on its unaudited condensed consolidated interim financial statements as issued, although currently they are not expected to have a material impact.

4. Financial instruments

Fair value determination

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes

three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The Company has no financial instruments carried at fair value as at September 30, 2015, other than the contingent payment on acquiring SSOAB (as defined in note 12). This is a level 3 financial liability as determined based on management's expected time to settle the obligation.

Financial risk management

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to the Company's cash and cash equivalents and other receivables. The Company has no allowance for impairment that might represent an estimate of incurred losses on other receivables. The Company has cash and cash equivalents of \$382,000 (March 31, 2015 - \$574,000), which represent the maximum credit exposure on these assets. As at September 30, 2015, 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 Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 Company's reputation.

Typically the Company 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 Company's liquidity reserve on the basis of expected cash flows.

The following are the contractual maturities of financial liabilities:

(In thousands of United States Dollars)	Carrying amount	Contractual cash flows	6 months or less	2-5 years
September 30, 2015				
Trade and other payables	\$ 455	\$ 455	\$ 455	\$ -
Contingent consideration on SSOAB purchase	157	221	-	221
March 31, 2015				
Trade and other payables	\$ 379	\$ 379	\$ 379	\$ -
Contingent consideration on SSOAB purchase	142	221	-	221

Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company'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. The Company does not apply hedge accounting in order to manage volatility in statements of loss.

Foreign currency rate risk

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

The Company does not hedge its exposure to currency risk.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company'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 Company's exposure to foreign currency risk, based on notional amounts, was as follows:

(In thousands of United States Dollars)	USD	GBP	SEK	CAD	Total
September 30, 2015					
Cash and cash equivalents	\$ 15	\$ 363	\$ 4	\$ -	\$ 382
Receivables	-	-	-	30	30
Trade and other payable	-	(155)	(17)	(283)	(455)
Contingent consideration on SSOAB purchase	(157)	-	-	-	(157)
March 31, 2015					
Cash and cash equivalents	\$ 17	\$ 537	\$ 5	\$ 15	\$ 574
Receivables	-	-	2	-	2
Trade and other payable	-	(136)	(13)	(230)	(379)
Contingent consideration on SSOAB purchase	(142)	-	-	-	(142)

Interest rate risk

The financial assets and liabilities of the Company are subject to interest rate risk, based on changes in the prevailing interest rate. The Company does not enter into interest rate swap or derivative contracts. The primary goal of the Company's investment strategy is to make timely investments in listed or unlisted mining and mineral development properties to optimise shareholder value. Where appropriate, the Company will act as an active investor and will strive to advance corporate actions that deliver value adding outcomes. The Company will undertake joint ventures with companies that have the potential to realize 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 September 30, 2015 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.

(In thousands of United States Dollars)	September 30, 2015		March 31, 2015	
	Equity	Profit or loss	Equity	Profit or loss
GBP	\$ -	\$ (21)	\$ -	\$ (40)
CAD	\$ -	\$ 25	\$ -	\$ 28
SEK	\$ -	\$ 1	\$ -	\$ 3

5. Capital risk management

The Company includes its share capital and premium, reserves and accumulated deficit as capital. The Company's objective is to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In light of economic changes and with the risk characteristics of the underlying assets, the Company manages the capital structure and makes adjustments to it. As the Company has no cash flow from operations and in order to maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt and/or find a strategic partner. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The Company 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. The Company's investment policy is in highly liquid, short-term interest-bearing investments with short maturities. During the period ended September 30, 2015, there were no changes in the Company's approach to capital management.

6. Purchase of Umnex Minerals Limpopo Pty ("UML")

In November 2013, the Company acquired 100% interest in Southern Africa Nickel Limited ("SAN Ltd."). 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 putative title to the Zebediela licences through its subsidiary, UML. SAN Ltd and UMH had been in dispute since 2011, and arbitration had begun in August 2013. As a result of this arbitration, in fiscal 2013 the Company had provided in full for the costs of the Zebediela project (USD 1,821,000). The reversal of the impairment will be assessed once the title to the licences has been completely transferred to the Company.

On April 10, 2014, SAN Ltd. and UMH agreed that SAN Ltd. would purchase 100% of UML from UMH for consideration of 33,194,181 in new URU Metals shares and 8,000,000 bonus shares issued to directors and officers for their services in the acquisition of UML.

The Zebediela Project extends over three separate mining titles in Limpopo Province. As at the date of acquisition, title to all three rights were held by parties unrelated to UML, and transfer of the rights to UML's subsidiary Lesogo Platinum Uitloop Pty ("LPU") had not been completed. The timing of the transfer is uncertain and regulatory approval of the transfer remains outstanding.

As the Company owns all of UML's outstanding ordinary shares, the Company has control over UML as defined in IFRS 10 - Consolidation. However, as UML does not meet the definition of a "business" as set out in IFRS 3, the Company has treated the transaction as a purchase of assets. As it was not a business combination, transaction costs have been capitalized, and as the transaction affected neither accounting nor taxable profit, deferred taxes do not arise.

The following table summarises the assessment of consideration paid for UML and the amounts of assets acquired at the acquisition date:

Consideration	USD '000s
Value of shares issued	\$ 996
Value of bonus shares issued	226
Cash-based acquisition costs	126
	<hr/>
	\$ 1,348
	<hr/>
Identifiable net assets acquired	
Intangible assets	\$ 1,348
	<hr/>
	\$ 1,348

Of the consideration paid, \$95,000 was incurred and capitalized to intangible assets in the year ended March 31, 2014.

Additionally, conditional consideration of 12,000,000 free-trading shares is payable if either 1) a transaction is consummated by URU Metals to sell, farm-out, or similarly dispose of any portion of a mineral project on some or all of the mining titles, or 2) a mining right is obtained from the South African Department of Mines and Resources in respect of some or all of the rights, or 3) an effective change of control of URU Metals occurs. As at September 30, 2015, none of the above conditions have occurred.

7. Intangible assets

(In thousands of United States Dollars)

Exploration costs

COST	South African		
	Projects	SSOAB	Total
Balance, March 31, 2015	\$ 4,795	\$ 1,096	\$ 5,891
Foreign exchange	(230)	(206)	(436)
Impairment		(890)	(890)

Balance, September 30, 2015	\$	4,565	\$	-	\$	4,565
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ACCUMULATED AMORTIZATION AND IMPAIRMENT	South African Projects		SSOAB	Total		
Balance, March 31, 2015	\$	(1,852)	\$	-	\$	(1,852)
Foreign exchange		99		-		99
Balance, September 30, 2015	\$	(1,753)	\$	-	\$	(1,753)

CARRYING VALUE	South African Projects		SSOAB	Total		
Balance, March 31, 2015	\$	2,943	\$	1,096	\$	4,039
Balance, September 30, 2015	\$	2,812	\$	-	\$	2,812

(i) The intangible assets acquired from UML were capitalized as additions to South African Projects.

NUSA Licences

All of the Niger exploration licences were acquired from NWT Uranium Corporation ("NWT") and UraMin Inc. as part of the asset purchase agreement when URU Metals Limited was formed. All the Niger licences are considered to be a single project, and thus to be one Cash Generating Unit ("CGU").

In fiscal 2014, the licences were returned and the Company's operations in Niger were closed.

SSOAB Licences

SSOAB (as defined in note 12) has 100% ownership of several exploration licences near the town of Örebro, Sweden. The Swedish licences are considered to be a single project, and thus to be one CGU. During the six months ended September 30, 2015, due to the continued decline of the prices of oil and uranium, the Company wrote off the intangible assets related to SSOAB licences as management believe they are not recoverable.

Nueltin Licence

Nueltin is party to an option agreement with Cameco Corporation ("Cameco"), the holder of licence located in the Nunavut Territory of Canada. Under the agreement, the Company can earn 51% interest in the project from Cameco in return for exclusively funding CDN\$2.5 million in exploration expenditures by December 31, 2016. The Cameco project is considered to be one CGU. During the year ended March 31, 2015, the Company wrote-off the Nueltin Licence for an amount \$153,000 as the Company has no plan to pursue the project in Nunavut Territory.

South African Projects

On 5 October 2010, the Company announced that it had entered into a joint venture (the "SAN-URU Joint Venture") with SAN Ltd, the joint owner and current developer of a portfolio of large nickel projects in Southern Africa. Under the agreement, the Company committed to provide funding to the SAN-URU Joint Venture of, in aggregate, up to 3.6 million over a period of 20 months from 5 October 2010. The SAN-URU Joint Venture's interests included a 50% interest in a joint arrangement to explore mineral rights near the town of Burgersfort in South Africa (the "Burgersfort Project") as well as the Zebediela Nickel Project as noted below.

On 6 April 2011, the Company announced the satisfactory and successful conclusion of all due diligence activities between SAN Ltd and Umnex Mineral Holdings Pty ("Umnex"), in relation to the acquisition of the Zebediela Nickel Project close to the mining town of Mokopane in the Limpopo province of South Africa. The Zebediela project is a joint venture, structured exclusively between SAN Ltd and Umnex (the "SAN-Umnex Joint Venture", i.e. not to be confused with the SAN-URU Joint Venture). The acquisition of an interest in the Zebediela rights via the SAN-Umnex Joint Venture involved no additional cash consideration to be made by either the Company or SAN Ltd. and did not increase the Company's original committed contribution to the SAN-URU Joint Venture of 3.6 million.

In fiscal 2012, URU Metals satisfied all its obligations under the SAN-URU Joint Venture Agreement and thus had a fully vested 50% interest in the SAN-URU Joint Venture. However, as announced on 6 April 2011, the SAN-URU Joint Venture sought to continue the development of the Zebediela Nickel Project. Umnex, the vendor of the Zebediela Nickel Project, would receive a direct interest in the SAN-URU Joint Venture from both Southern African Nickel and URU Metals. Subsequent to that direct investment – and assuming that

the arbitration (see below) was to have ruled in SAN Ltd.'s favour - the effective interest of each party in the SAN-URU Joint Venture would have been URU Metals 45%, SAN Ltd. 40%, and Umnex 15%.

In fiscal 2013, a dispute arose between SAN Ltd. and Umnex. Both parties alleged that the other party had failed in its obligations under their SAN-Umnex Joint Venture agreement. Primarily, Umnex alleged that SAN Ltd. has failed in its obligation to achieve a public listing for the SAN-Umnex Joint Venture by July 6, 2012, and thus Umnex had the ability to leave the Joint Venture with ownership of the mineral rights in exchange for payment of historical exploration costs, whereas SAN Ltd alleged that Umnex had not facilitated the required transfer of the mineral licence into the correct corporate vehicle first, which was necessary to allow the public listing to proceed. URU's interest in the Zebediela project was negotiated as an amendment to the SAN-URU Joint Venture; URU Metals was never party to the dispute between SAN Ltd and Umnex. As at March 31, 2013, URU Metals had fulfilled all of its obligations under that separate agreement. URU Metals was in active discussions between Umnex and SAN Ltd to facilitate a resolution to the dispute. Unfortunately, discussion through to the end of calendar 2012 failed to resolve the dispute between Umnex and SAN Ltd, such that those two partners entered into a formal arbitration process.

URU Metals acquired 100% of the shares of SAN Ltd in November 2013.

The arbitration was ultimately settled as a condition of URU Metals' acquisition in April 2014 of the Umnex subsidiary which held the Zebediela licences.

Accounting treatment of SAN-URU Joint Venture (the Burgersfort properties).

With URU's acquisition of SAN Ltd at year-end, the SAN-URU Joint Venture was dissolved, and SAN Ltd obtained ownership of the JV's 50% interest in the Burgersfort properties. SAN Ltd's interest in the Burgersfort properties is a Joint Operation, as set out in IFRS 11 - Joint Arrangements, with BSC Resources as the other party to the arrangement. Any disputes not resolved by management of SAN Ltd and its joint venture partner must go to arbitration, i.e. joint control over a contractual agreement.

Accounting treatment of SAN-Umnex Joint Venture (the Zebediela properties).

The original agreement intended that SAN Ltd would have 74% ownership of the final agreement. Accordingly, at March 31, 2014, SAN Ltd's interest in Zebediela remained a Farm-in Agreement, and the Company capitalised 100% of the costs it incurred in relation to the SAN-Umnex Joint Venture to the extent that the costs were directly related to exploration and evaluation activities.

On April 10, 2014, SAN Ltd. and UMH agreed that SAN Ltd. would purchase 100% of UML from UMH for consideration, thereby dissolving the SAN-Umnex Joint Venture.

8. Receivables

(In thousands of United States Dollars)	As at September 30, 2015	As at March 31, 2015
Other receivables	\$ 30	\$ 2

9. Share capital and premium

(In thousands of United States Dollars except number of shares)

	Number of shares	Share capital	Share premium	Total
Balance, March 31, 2014	132,776,722	\$ 1,328	\$ 46,196	\$ 47,524
Shares issued for acquisition of UML (note 6)	41,194,181	412	810	1,222
Shares issued in private placement (i)	54,333,334	543	831	1,374
Shares issued for professional service (ii)	656,142	7	7	14
Transaction costs incurred for private placement	-	-	(184)	(184)
Balance, September 30, 2014, March 31, 2015 and September 30, 2015	228,960,379	\$ 2,290	\$ 47,660	\$ 49,950

Issued shares

All issued shares are fully paid up.

(i) On May 2, 2014, the Company announced the placing of 54,333,334 new shares at a price of 1.5 pence per share for a total of GBP 815,000. Of the total, 19,283,335 shares were issued to Niketo Co. Ltd., a company wholly owned by NWT, the Company's largest shareholder. 8,500,000 of these share were issued in settlement of professional fees owed.

(ii) During the year ended March 31, 2015, the Company issued 656,142 shares to RB Milestone, a consultant, for settlement of professional services provided with a total value of \$14,000.

Unissued shares

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

Dividends

Dividends declared and paid by the Company were \$nil for the period ended September 30, 2015 (September 30, 2014 - \$nil).

10. Share option reserve

(a) Share options

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 Company's share options as well as a reconciliation of the number and weighted average exercise price of the Company's share options outstanding on September 30, 2015.

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

(i) Reconciliation of share options outstanding as at September 30, 2015:

Exercise prices (GBP)	Weighted average remaining life (years)	Number of options originally granted	Number exercisable
0.034	0.41	2,000,000	2,000,000
0.049	5.06	2,633,334	2,633,334
0.020	1.65	8,500,000	8,500,000
0.032	2.14	13,133,334	13,133,334

(ii) Continuity and exercise price

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

	Number of options	Weighted average exercise price per share (GBP)
Balance, March 31, 2014	7,483,334	0.04
Options granted	8,500,000	0.02
Balance, September 30, 2014	15,983,334	0.03
Balance, March 31, 2015 and September 30, 2015	13,133,334	0.03

On May 22, 2014, the Company granted a total of 8,500,000 options to directors and contractors at an exercise price of GBP0.02 per share. The options granted vested immediately upon grant. The fair value of

share options granted was \$98,067 (GBP58,319) which was expensed during the six months ended September 30, 2014. The fair value of these share options was calculated using the Black Scholes model with the following assumptions:

Risk-free interest rate	1.04%
Expected life (years)	3.0
Expected volatility	49.62%
Dividend yield per share	Nil
Exercise price	GBP0.02
Share price	GBP0.02

(b) Warrant

The following is a summary of the Company's warrant granted under its Share Incentive Scheme. As at September 30, 2015, the following warrant, issued in respect of capital raising, had been granted but not exercised:

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

There were no movements in warrant during the period ended September 30, 2015.

11. Trade and other payables

(In thousands of United States Dollars)	As at September 30, 2015	As at March 31, 2015
Other payables	\$ 229	\$ 105
Accruals	226	274
	\$ 455	\$ 379

12. Contingent consideration on SSOAB purchase

On May 23, 2013, the Company announced that it had acquired all the outstanding ordinary shares of a Swedish company, Svenska Skifferoljeaktiebolaget ("SSOAB") from a private company. The acquisition was made to obtain SSOAB's only significant assets: its title to six exploration licences in Sweden, located in Örebro County.

URU Metals paid the vendors \$300,000 and issued 17 million ordinary shares as consideration to the vendors for the purchase of SSOAB. An additional 2.5 million ordinary shares, plus a cash payment of \$25,000, were paid as a finder's fee on the transaction. A deferred payment of \$200,000 will be paid by URU Metals to the vendors upon the completion of the first exploration drill program on the property in the future. The agreement has not specified a drilling timetable; management has fully impaired the carrying value of the licences in these interim financial statements and is currently unable to predict a drilling timetable.

The contingent consideration of \$221,000 (comprising a purchase cost of \$200,000 plus a return of assets of \$21,000) was discounted and recognized at fair value of \$141,000 at issue, and will be accreted over the period to payment using the effective interest method. In light of the impairment recognised in these unaudited financial statements, the contingent consideration will be reviewed at the time of preparing the audited financial statements for the year ending 31 March 2016.

(In thousands of United States Dollars) :	As at September 30, 2015	As at March 31, 2015
Opening balance	\$ 142	\$ 160
Accretion	14	29
Gain on fair value adjustment	-	(43)
Foreign exchange	1	(4)
	\$ 157	\$ 142

13. Related party transactions

(a) Transactions with key management personnel

During the six months ended September 30, 2014, stock options of 8,000,000 were granted to officers and directors of the Company at an exercise price of GBP 0.02 per share.

Details of stock options outstanding granted to directors, management and past directors and management are as follow:

Directors/officers	Weighted average exercise price (GBP)	Number of options originally granted	Expiry date
Directors			
J. Vieira	0.034	1,000,000	February 27, 2016
J. Vieira	0.02	2,000,000	May 23, 2017
D. Subotic	0.034	1,000,000	February 27, 2016
D. Subotic	0.02	3,000,000	May 23, 2017
Management			
J. Zorbas	0.02	3,000,000	May 23, 2017
		10,000,000	

The former Chief Executive Officer and director R. Lemaitre and former Chief Financial Officer, R. Swarts resigned during the prior two years and the Board of Directors confirmed that their options remained in force until they expire or are unexercised.

(b) Management remuneration

(In thousands of United States Dollars)	Six months ended September 30, 2015	Six months ended September 30, 2014
Fees for services as director	\$ 18	\$ 27
Basic salary	71	41
Share-based payments	-	92
Total	\$ 89	\$ 160

14. Segmented information

(a) Reportable segments

The Company has two reportable segments, as described below, which are the Company's strategic business units. Both are determined by the Chief Executive Officer (the "CEO"), the Company's chief operating decision-maker, and have not changed year-over-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 Company's reportable segments:

Exploration	Includes obtaining licences and exploring these licence areas.
Corporate office	Includes all Company administration and procurement

There are no other operations that meet any of the quantitative thresholds for determining reportable segments during the periods ended September 30, 2015 or 2014.

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 September 30, 2015 and 2014 consisted of funding advanced from Corporate Office to Exploration.

(b) Operating segments

(In thousands of United States Dollars)

Six months ended September 30,	Exploration		Corporate office		Total	
	2015	2014	2015	2014	2015	2014
Depreciation	\$ -	\$ -	\$ -	\$ 4	\$ -	\$ 4
Reportable segment loss before tax	\$ (890)	\$ -	\$ (256)	\$ (477)	\$ (1,456)	\$ (477)
Material non-cash items in segment loss before tax:						
Share-based payments expenses	\$ -	\$ -	\$ -	\$ 98	\$ -	\$ 98

As at September 30,	Exploration		Corporate office		Total	
	2015	2014	2015	2014	2015	2014
Reportable segment assets	\$ 2,815	\$ 4,454	\$ 409	\$ 1,095	\$ 3,224	\$ 5,549
Reportable segment liabilities	\$ (168)	\$ (185)	\$ (444)	\$ (263)	\$ (612)	\$ (448)

(c) Geographical segments

During the period ended September 30, 2015, business activities took place in Sweden, Canada and South Africa and during the period ended September 30, 2014, business activities took place in Sweden, Canada and South Africa.

In presenting information based on the geographical segments, segment assets are based on the geographical location of the assets.

The following table presents segmented information on the Company's operations and net loss for the six months ended September 30, 2015 and assets and liabilities as at September 30, 2015:

(In thousands of United States Dollars)	Canada	Sweden	South Africa	Total
Net loss	\$ 256	\$ 890	\$ -	\$ 1,146
Total assets	\$ 409	\$ 3	\$ 2,812	\$ 3,224
Non-current assets	\$ -	\$ -	\$ 2,812	\$ 2,812
Liabilities	\$ (444)	\$ (168)	\$ -	\$ (612)

The following table presents segmented information on the Company's operations and net loss for the six months ended September 30, 2014 and assets and liabilities as at September 30, 2014:

(In thousands of United States Dollars)	Canada	Sweden	South Africa	Total
Net loss	\$ 477	\$ -	\$ -	\$ 477
Depreciation	\$ 4	\$ -	\$ -	\$ 4
Share-based payments	\$ 98	\$ -	\$ -	\$ 98
Total assets	\$ 1,095	\$ 1,315	\$ 3,139	\$ 5,549
Non-current assets	\$ 189	\$ 1,296	\$ 3,130	\$ 4,615

Liabilities	\$	(263)	\$	(185)	\$	-	\$	(448)
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15. Commitment

In February 2014, the Company signed a lease agreement with its majority shareholder, NWT, based on the square footage it uses in NWT's office space. The monthly rent is CAD1,850 through to September 30, 2015 and will be settled from time to time with NWT as URU Metals' finances permit.

16. Subsequent event

On October 30, 2015, the Company raised GBP400,000 from institutional and other investors through a placing of 100 million new shares at GBP0.004 per share ("the Placing"). The funds will be used to further the exploration program involving drilling and metallurgy for the Zebediela Project. David Subotic, Chairman of the Board and John Zorbas, the CEO of the Company, each subscribed for 5 million shares in the Placing.

****ENDS****