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 2016.

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, 2016.

During this period, the equity market for the mining industry has showed signs of improvement, with equities increasing significantly during this period. Strong equity markets are favourable conditions for completing a financing, public merger or acquisition transaction. Since September 30, 2016, the Company successfully completed a financing as discussed below.

Review

No significant progress was made during the period in developing the Company's Zebediela Nickel Project. However, on November 22, 2016, the Company announced that it raised GB740,000 (US$919,376) through a placing of 185 million shares at GBP 0.004 per share ("the Placing") the proceeds of which will be applied to progress the work program for this project. The work program, which is scheduled to start in January 2017, includes drill testing potential extensions of the nickel mineralization, infill drilling, metallurgical studies and the completion of an updated mineral resource estimate. The scope of work is to increase the confidence on the potential magnetite resource which has been identified in the oxide and sulphide zones of the orebody. Confirmatory drilling, combined with metallurgical test work on new and existing drill holes, is intended to generate sufficient data to update the existing Preliminary Economic Assessment to produce an updated high level project inherent rate of return and net present value. The Company has filed a revised project plan with the Department of Mineral Resources of South Africa.

Outlook

At the reporting date, the Company had cash resources of US$368,000 and no borrowings. Subsequent to September 30, 2016, the Company completed a placing for gross proceeds of GBP740,000 (US$919,376) as described above.

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

David Subotic

Chairman

December 23, 2016.

This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014.

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED SEPTEMBER 30, 2016

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
(Expressed in thousands of United States Dollars)
Unaudited

		As at September 30, 2016		As at March 31, 2016
ASSETS				
Non-current assets				
Intangible assets (note 7)	**$**	**2,887**	$	2,857
Long-term prepaid assets		**41**		41
Total non-current assets		**2,928**		2,898
Current assets				
Receivables (note 8)		**59**		171
Cash and cash equivalents		**368**		484
Total current assets		**427**		655
Total assets	**$**	**3,355**	$	3,553

EQUITY AND LIABILITIES				
Equity				
Share capital and premium (note 9)	**$**	**50,498**	$	50,476
Shares to be issued		**-**		31
Reserves (note 10)		**1,264**		1,281
Accumulated deficit		**(49,015)**		(48,831)
Total equity		**2,747**		2,957
Current liabilities				
Trade and other payables (note 11)		**608**		596
Total liabilities		**608**		596
Total equity and liabilities	**$**	**3,355**	$	3,553

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 and contingency (note 14)

Approved on behalf of the Board:

"David Subotic", Chairman

"Jay Vieira", Director

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in thousands of United States Dollars)
Unaudited

		Six months ended September 30, 2016		Six months ended September 30, 2015
Administrative expenses	**$**	**(184)**	$	(256)
Operating loss before the following item		**(184)**		(256)
Impairment of intangible assets and derecognition of contingent liability (notes 7 and)		**-**		(890)
Net loss for the period		**(184)**		(1,146)
Other comprehensive loss				
Items that will be reclassified subsequently to income				
Effect of translation of foreign operations		**(17)**		(336)
Other comprehensive loss for the period		**(17)**		(336)
Total comprehensive loss for the period	**$**	**(201)**	$	(1,482)

Basic and diluted net loss per share (USD cents)	**$**	**(0.00)**	$	(0.01)
Weighted average number of common shares outstanding		**328,550,543**		228,960,379

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
(Expressed in thousands of United States Dollars)
Unaudited

		Six months ended September 30, 2016		Six months ended September 30, 2015
Operating activities				
Net loss for the period	**$**	**(184)**	$	(1,146)
Items not involving cash:				
Interest accretion on long-term liability		**-**		18
Unrealized foreign exchange gain		**(30)**		-
Impairment of intangible assets		**-**		890
Changes in non-cash working capital items:				
Decrease (increase) in receivables		**112**		(28)
Increase in trade and other payables		**12**		76
Net cash used in operating activities		**(90)**		(190)
Financing activities				
Transaction costs incurred for share issuance		**(9)**		-
Net cash used in financing activities		**(9)**		-
Gain on exchange rate changes on cash and cash equivalents		**(17)**		(2)
Net change in cash and cash equivalents		**(116)**		(192)
Cash and cash equivalents, beginning of period		**484**		574
Cash and cash equivalents, end of period	**$**	**368**	$	382

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
(Expressed in thousands of United States Dollars)
Unaudited

Equity attributable to shareholders

	Share Capital	Share Premium	Shares to be Issued	Share Option Reserve	Foreign Currency Translation Reserve	Accumulated Deficit	Total

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**

Balance, March 31, 2016	**$ 3,240**	**$ 47,236**	**$ 31**	**$ 2,307**	**$ (1,026)**	**$ (48,831)**	**$ 2,957**
Shares issued in private placement	50	(19)	(31)	-	-	-	-
Transaction costs incurred for share issuance	-	(9)	-	-	-	-	(9)
Net loss and comprehensive loss for the period	-	-	-	-	(17)	(184)	(201)
Balance, September 30, 2016	**$ 3,290**	**$ 47,208**	**$ -**	**$ 2,307**	**$ (1,043)**	**$ (49,015)**	**$ 2,747**

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, 2016
(Expressed in United States Dollars Except As Otherwise Indicated)
Unaudited

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, 2016 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 23, 2016.

2. Nature of operations and going concern

During the six months ended September 30, 2016, the Company'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 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, 2016 the Company has no source of revenues or operating cash flows, incurred losses of $184,000 for the six months ended September 30, 2016, has accumulated losses of $49,015,000

(March 31, 2016 - $48,831,000) 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 23, 2016, 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, 2016. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending March 31, 2017 could result in restatement of these unaudited condensed consolidated interim financial statements.

(b) New accounting standards 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, although currently they are not expected to have a material impact.

IFRS 16 - Leases ("IFRS 16")

Effective for annual periods beginning on or after January 1, 2019. The scope of IFRS 16 includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17 - Leases ("IAS 17"). The standard includes two recognition exemptions for lessees – leases of ’low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today’s accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. Management believes that IFRS 16 will not have any impact on these unaudited condensed consolidated interim financial statements as all current are low value leases.

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, 2016.

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 fulfill 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 $368,000 (March 31, 2016 - $484,000), which represent the maximum credit exposure on these assets. As at September 30, 2016, 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)		amount		cash flows		or less		6 months years
September 30, 2016								
Trade and other payables	$	608	$	608	$	608	$	-
March 31, 2016								
Trade and other payables	$	596	$	596	$	596	$	-

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.

<u>Foreign currency rate risk</u>
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 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, 2016										
Cash and cash equivalents	$	2	$	246	$	4	$	116	$	368
Receivables		-		-		-		59		59
Trade and other payables		-		(153)		(75)		(380)		(608)
March 31, 2016										
Cash and cash equivalents	$	10	$	463	$	4	$	7	$	484
Receivables		-		-		-		171		171
Trade and other payables		-		(139)		(78)		(379)		(596)

<u>Interest rate risk</u>

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.

Market risks (continued)

Sensitivity analysis

A 10% strengthening of the USD against the following currencies at September 30, 2016 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.

	September 30, 2016		September 30, 2015	
(In thousands of United States Dollars)	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
GBP	**$ -**	**$ (9)**	$ -	$ (21)
CAD	**$ -**	**$ 21**	$ -	$ 25
SEK	**$ -**	**$ 7**	$ -	$ 1

5. Capital risk management

The Company includes its share capital and premium, shares to be issued, 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 six months ended September 30, 2016, 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 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 at September 30, 2016, the "general and project expenditure obligations" and the "minimum statutory expenditure obligations" of the general and project expenditure obligations had not been determined. The financing the Company completed during the year ended March 31, 2016 (note 9) does not impact URU Metals' ownership of the project.

The acquisition does not meet the definition of a "business" as set out in IFRS 3, and 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
	$	1,348
Identifiable net assets acquired		
Intangible assets	$	1,348
	$	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, 2016, none of the above conditions have occurred.

7. Intangible assets

(In thousands of United States Dollars)

Exploration costs

COST		**South African Projects**
Balance, March 31, 2016	**$**	**4,662**
Foreign exchange		22
Balance, September 30, 2016	**$**	**4,684**

ACCUMULATED AMORTIZATION AND IMPAIRMENT		**South African Projects**
Balance, March 31, 2016	**$**	**(1,805)**
Foreign exchange		8

Balance, September 30, 2016	$	**(1,797)**

CARRYING VALUE		**South African Projects**
Balance, March 31, 2016	$	**2,857**
Balance, September 30, 2016	$	**2,887**

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"). 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. 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's 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 during the year ended March 31, 2014, 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.

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 (note 6).

8. Receivables

(In thousands of United States Dollars)	**As at September 30, 2016**	**As at March 31, 2016**
Other receivables	**$ 59**	$ 171

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, 2015 and September 30, 2015	228,960,379	$ 2,290	$ 47,660	$ 49,950
Shares issued in private placement (i)	90,000,000	900	(344)	556
Shares issued for professional fees (i)	5,000,000	50	(19)	31
Transaction costs incurred for private placement	-	-	(61)	(61)
Balance, March 31, 2016	323,960,379	$ 3,240	$ 47,236	$ 50,476
Shares issued in private placement (ii)	5,000,000	50	(19)	31
Transaction costs incurred for private placement	-	-	(9)	(9)
Balance, September 30, 2016	328,960,379	$ 3,290	$ 47,208	$ 50,498

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.

(i) During the year ended March 31, 2016, the Company issued 95 million shares at GBP 0.004 per share for gross proceeds of $525,000 and settlement of Chief Executive Officer ("CEO") salaries, director fees and consulting fees of $62,000 and $31,000 consulting fees were settled against 5 million shares to be issued at GBP 0.004 per share. Transaction costs of $61,000 were incurred for the private placement. An officer and a director of the Company subscribed for 5 million shares in the private placement for settlement of CEO salaries and director fees of $31,000.

(ii) On April 15, 2016, 5,000,000 shares to be issued in the private placement as described above during the year ended March 31, 2016 were issued to the CEO of the Company in settlement of his salaries.

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 six months ended September 30, 2016 (six months ended September 30, 2015 - $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, 2016.

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, 2016:

Exercise prices (GBP)	Weighted average remaining life (years)	Number of options originally granted	Number exercisable
0.049	4.06	2,633,334	2,633,334
0.020	0.65	8,500,000	8,500,000
0.030	1.45	11,133,334	11,133,334

(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, 2015 and September 30, 2015	13,133,334	0.03
Options expired unexercised	(2,000,000)	0.03
Balance, March 31, 2016 and September 30, 2016	11,133,334	0.03

(b) Warrants

The following is a summary of the Company's warrants granted under its Share Incentive Scheme. As at September 30, 2016, the following warrants, issued in respect of capital raising, had been granted but not exercised:

Name	**Date granted**	**Date vested**	**Number of warrants**	**Exercise price (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 warrants during the six months ended September 30, 2016.

11. Trade and other payables

(In thousands of United States Dollars)		**As at September 30, 2016**		**As at March 31, 2016**
Other payables	**$**	**196**	$	300
Accruals		**412**		296
	$	**608**	$	596

12. Related party transactions

(a) Transactions with key management personnel

During the six months ended September 30, 2016, no stock options were granted to key management personnel.

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

Directors/officers	**Weighted average exercise price (GBP)**	**Number of options originally granted**	**Expiry date**
Directors			
J. Vieira	0.02	2,000,000	May 23, 2017
D. Subotic	0.02	3,000,000	May 23, 2017
Management			
J. Zorbas	0.02	3,000,000	May 23, 2017
		8,000,000	

The former CEO 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, 2016		Six months ended September 30, 2015
Fees for services as director	**$**	**16**	$	18
Basic salary		**69**		71
Total	**$**	**85**	$	89

Please refer to note 9 (ii) for settlement of CEO salaries and director fees for issuance of shares.

13. 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 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 six months ended September 30, 2016 or 2015.

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 2016 and 2015 consisted of funding advanced from Corporate Office to Exploration.

(b) Operating segments

(In thousands of United States Dollars)

	Exploration		Corporate office		Total	
Six months ended September 30,	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Reportable segment loss before tax	$ -	$ (890)	$ (184)	$ (256)	$ (184)	$ (1,146)

	Exploration		Corporate office		Total	
As at September 30,	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Reportable segment assets	$ 2,928	$ 2,815	$ 427	$ 409	$ 3,355	$ 3,224
Reportable segment liabilities	$ (12)	$ (168)	$ (596)	$ (444)	$ (608)	$ (612)

(c) Geographical segments

During the six months ended September 30, 2016 and 2015, business activities took place in 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, 2016 and assets and liabilities as at September 30, 2016:

(In thousands of United States Dollars)	Canada	Sweden	South Africa	Total
Net loss	$ 184	$ -	$ -	**$ 184**
Total assets	$ 423	$ 4	$ 2,928	**$ 3,355**
Non-current assets	$ -	$ -	$ 2,928	**$ 2,928**
Liabilities	$ (596)	$ (12)	$ -	**$ (608)**

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)**

14. Commitments and Contingency

Commitments

Refer to note 6 for conditional consideration for UML acquisition.

Contingency

The Company's former controller filed a law suit claiming approximately $40,000 against the Company. URU Metals delivered a defence and counterclaim against the former controller. Documents have been produced by the parties but there have not been any examinations for discovery. At this stage, it is too early to evaluate the relative strength of the claim, defence and counterclaim and no amounts have been accrued in the unaudited condensed consolidated interim financial statements in relations to this matter.

15. Subsequent event

On November 22, 2016, the Company announced that it raised GBP 740,000 ($919,376) through a placing of 185 million shares at GBP 0.004 ($0.005) per share (the "Placing"). Related parties of the Company subscribed to 25 million shares in the Placing.