URU Metals Limited

("URU Metals" or "the Company")

Interim results

URU Metals is pleased to announce its interim results for the six months ended 30 September 2017.

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, 2017 ("the Period").

During the Period, the equity market for mining industry 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.

Highlights

The highlight of our progress during the six months ended September 30, 2017 and to the date of this report can be summarized as follows:

Zebediela Project

The Zebediela Project, located in Limpopo, South Africa, completed the first drill campaign for 2017, the results of which were announced on 11 October 2017 and are set out in the table below.

Drill results from the first drill programme (drill hole Z017, Z018, and Z019) of 2017

Drill hole ID	**Depth From (m)**	**Depth To (m)**	**Sample Interval (m)**	**Cu (%)**	**Ni (%)**	**3PGE+Au***
Z017	67.22	391.00	323.78	0.01	0.23	-**
Z017	412.75	415.00	2.25	0.62	2.06	0.92
Z018	90.4	251.00	160.6	0.004	0.26	-**
Z019	**133**	**142**	**9**	**0.15**	**0.43**	**1.97**
Z019	**169**	**170.8**	**1.8**	**0.1**	**0.44**	**1.60**

*3PGE+Au equals platinum + palladium + rhodium + gold

** Intersection not assayed for 3PGE+Au, as previous work has revealed that this portion of the orebody typically does not contain PGE's at economic concentrations

Based on these positive results, the Company decided to drill another three drill holes (drill holes Z020, Z021, and Z022). This second drill programme for 2017 targeted the mineralised zone containing Ni, Cu, and Platinum Group Elements (PGE), intersected in Z019 in order to trace the extent of the mineralisation. The drilling started in November 2017 and finished on 19 December 2017. The assay results for this second drill programme are due by the end of January 2018.

The metallurgical test work on the leachability of the Ni from the Zebediela Project, reported 80% nickel dissolution, as announced on 3 November 2017. Based on this result, the Company decided to proceed with the next phase of metallurgical testing, which started in November 2017 and is still underway. This phase will focus on investigating methods to further reduce acid consumption and to demonstrate the feasibility of leaching on mineralisation.

Investment in Management Resource Solutions PLC

During the period, the Company increased its interest in Management Resource Solutions Plc to 17,550,000 shares of ("MRS") by investing a further £500,000 in cash at 5p per MRS share. The Company's shareholding currently represents 9.7% of MRS's current issued share capital.

The Company's investment in MRS has a very positive outlook.

MRS has two subsidiaries: Bachmann Plant Hire Pty Ltd ("BPH") and MRS Subzero Pty Ltd (trading as MRS Services Group, "MRSSG"). The markets which BPH and MRSSG service are the strongest they have been in years. BPH is currently working at fully capacity and has a strong pipeline of work to complete. MRSSG is experiencing strong demand, with revenues now exceeding $4.0m per month. The Hunter Valley thermal coal price has been strong and stable providing confidence for the coal mines to commit to repairs and maintenance and Yancoal has recently completed the acquisition of the Rio Tinto assets in the Hunter Valley. Both BPH and MRSSG were run as separate operations with little interaction or utilization of shared services and group purchasing during the financial years 2015-16 ('FY16') and 2016-17 ('FY17'). During late FY17 and 2017-18 ('FY18') the company prioritized significant cost cutting and restructuring, and has restructured the senior management. The cost cutting and restructuring programme is now substantially complete. As reported by MRS for FY18, first half expectations are for Profit after Tax and earnings per share to exceed $2.2m and 0.8p respectively, whilst for the full year earnings per share of not less than 2.0p are in prospect. Further progress is anticipated in 2018-19 as debt continues to be repaid from the strong operational cashflow generated by the major changes, which are now taking effect.

We are pleased in our investment in MRS and look forward to its future growth in value for our shareholders.

Outlook

At the reporting date, the Company had cash resources of US$1,835,000 and no borrowings.

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.

Henry Kloepper

Chairman

December 28, 2017

This announcement contains inside information.

For further information, please contact:

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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.

Condensed Consolidated Interim Statements of Financial Position
(Expressed in thousands of United States Dollars)
Unaudited

	As at September 30, 2017	As at March 31, 2017
ASSETS		
Non-current assets		
Plant and equipment (note 6)	**$ 107**	$ 116
Intangible assets (note 7)	**3,168**	2,796
Long-term prepaid assets	**41**	41
Total non-current assets	**3,316**	2,953
Current assets		

Marketable securities (note 8)	**1,128**	1,173
Receivables (note 9)	**65**	30
Cash and cash equivalents	**1,835**	2,678
Total current assets	**3,028**	3,881
Total assets	**$ 6,344**	$ 6,834
EQUITY AND LIABILITIES		
Equity		
Share capital and premium (note 10)	**$ 54,760**	$ 54,449
Reserves (note 11)	**1,474**	1,184
Accumulated deficit	**(50,781)**	(49,476)
Total equity	**5,453**	6,157
Current liabilities		
Trade and other payables (note 12)	**891**	677
Total liabilities	**891**	677
Total equity and liabilities	**$ 6,344**	$ 6,834

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

Nature of operations (note 2)
Commitment (note 15)

Approved on behalf of the Board:

"Henry Kloepper", 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, 2017	**Six months ended September 30, 2016**
Administrative expenses	**$ (537)**	$ (184)
Operating loss before the following items	**(537)**	(184)
Unrealized loss on marketable securities	**(768)**	-
Net loss for the period	**(1,305)**	(184)
Other comprehensive loss		
Items that will be reclassified subsequently to income		
Effect of translation of foreign operations	**328**	(17)
Other comprehensive loss for the period	**328**	(17)

Total comprehensive loss for the period	**$ (977)**	$ (201)
Basic and diluted net loss per share (USD cents)	**$ (0.17)**	$ (0.00)
Weighted average number of common shares outstanding	**779,320,122**	328,550,543

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, 2017	**Six months ended September 30, 2016**
Operating activities		
Net loss for the period	**$ (1,305)**	$ (184)
Items not involving cash:		
Share-based payments	**127**	-
Depreciation	**13**	-
Unrealized loss on marketable securities	**768**	-
Unrealized foreign exchange gain	**(15)**	(30)
Impairment of intangible assets	**-**	-
Changes in non-cash working capital items:		
Decrease in receivables	**30**	112
Increase in trade and other payables	**214**	12
Net cash used in operating activities	**(168)**	(90)
Investing activities		
Purchase of marketable security	**(648)**	-
Additions of intangible assets	**(179)**	-
Net cash used in investing activities	**(827)**	-
Financing activities		
Transaction costs incurred for share issuance	**-**	(9)
Proceeds from exercise of stock options	**127**	-
Net cash provided by (used in) financing activities	**127**	(9)
Gain on exchange rate changes on cash and cash equivalents	**25**	(17)
Net change in cash and cash equivalents	**(843)**	(116)
Cash and cash equivalents, beginning of period	**2,678**	484
Cash and cash equivalents, end of period	**$ 1,835**	$ 368

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of 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 and Warrants Reserve	Foreign Currency Translation Reserve	Accumulated Deficit	Total
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**
Balance, March 31, 2017	**$ 7,726**	**$ 46,723**	**$ -**	**$ 2,307**	**$ (1,123)**	**$ (49,476)**	**$ 6,157**
Share-based compensation			-	54	-	-	54
Shares issued upon exercise of stock options	80	139	-	-	-	-	219
Reclassification of fair value of stock options exercised	-	92	-	(92)	-	-	92
Net loss and comprehensive loss for the period	-	-	-	-	328	(1,305)	(1,459)
Balance, September 30, 2017	**$ 7,806**	**$ 46,954**	**$ -**	**$ 2,269**	**$ (795)**	**$ (50,781)**	**$ 5,453**

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, 2017
(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, 2017 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 28, 2017.

2. Nature of operations

During the six months ended September 30, 2017, 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, 2017 the Company has no source of revenues or operating cash flows, incurred losses of $1,305,000 for the six months ended September 30, 2017, has accumulated losses of $50,781,000 (March 31, 2017 - $47,476,000) 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.

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 29, 2017, 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, 2017. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending March 31, 2018 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 consolidated financial statements, although currently they are not expected to have a material impact.

IFRS 16 - Leases

Effective for annual periods beginning on or after 1 January 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 a material impact on these consolidated financial statements as all current leases 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, 2017 other than marketable security which is a level 2 financial asset at fair value.

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 $1,835,000 (March 31, 2017 - $2,678,000), which represent the maximum credit exposure on these assets. As at September 30, 2017, 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, 2017				
Trade and other payables	$ 891	$ 891	$ 891	$ -
March 31, 2017				
Trade and other payables	$ 677	$ 677	$ 677	$ -

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 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, 2017					
Cash and cash equivalents	$ -	$ 1,427	$ -	$ 408	$ 1,835
Receivables	-	-	-	65	65
Trade and other payable	-	(100)	(60)	(731)	(891)
March 31, 2017					
Cash and cash equivalents	$ -	$ 2,185	$ -	$ 493	$ 2,678
Receivables	-	-	-	30	30
Trade and other payable	-	(104)	(74)	(499)	(677)

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.

Market risks (continued)

Sensitivity analysis

A 10% strengthening of the USD against the following currencies at September 30, 2017 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, 2017		**March 31, 2017**	
(In thousands of United States Dollars)	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
GBP	**$ -**	**$ (133)**	$ -	$ (350)
CAD	**$ -**	**$ 26**	$ -	$ (7)
SEK	**$ -**	**$ 6**	$ -	$ 7

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. During the six months ended September 30, 2017, there were no changes in the Company's approach to capital management.

6. Plant and equipment

(In thousands of United States Dollars)

		Field
Balance, March 31, 2017	$	**119**
Impact of foreign exchange		4
Balance, September 30, 2017	$	**123**

		Field
Balance, March 31, 2017	$	**3**
Depreciation for the period		13
Balance, September 30, 2017	$	**16**

		Field
At March 31, 2017	$	**116**
At September 30, 2017	$	**107**

7. Intangible assets

(In thousands of United States Dollars)

Exploration costs

COST		**South African projects**
Balance, March 31, 2017	$	**4,557**
Additions		179
Foreign exchange		310
Balance, September 30, 2017	$	**5,046**

ACCUMULATED AMORTIZATION AND IMPAIRMENT		**Sout Africa Project**
Balance, March 31, 2017	$	**(1,761)**
Foreign exchange		(117)
Balance, September 30, 2017	$	**(1,878)**

CARRYING VALUE		**South African Projects**
Balance, March 31, 2017	$	**2,796**
Balance, September 30, 2017	$	**3,168**

SSOAB Licences

SSOAB (as defined in note) had 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 year ended March 31, 2016, due to the continued decline of the prices of oil and uranium, the Company decided not to pursue the continued development of SSOAB properties and therefore determined that the recoverable amount of the intangibles under SSOAB properties was the value in use of the properties which was estimated to be $nil. The Company recorded $1,145 impairment of intangible assets in the consolidated statements of loss and comprehensive loss for the year ended March 31, 2016. The foreign currency reserve of SSOAB was reclassified from equity to the consolidated statements of loss and comprehensive loss for the year ended March 31, 2017.

Nueltin Licence

Nueltin was party to an option agreement with Cameco Corporation ("Cameco"), the holder of a licence located in the Nunavut Territory of Canada. Under the agreement, the Company could 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 was considered to be one CGU. During the year ended March 31, 2015, the Company wrote off the Nueltin Licence in an amount $153 as the Company had no plan to pursue the project in Nunavut Territory and the Company let the option expire.

South African Projects

In November 2013, the Company acquired (i) a 100% interest in Southern Africa Nickel Limited ("SAN Ltd.") which had been the Company's joint venture partner since 2010 on the Zebediela Nickel Project and (ii) a 50% interest in the Burgersfort Project. SAN Ltd in turn had a 74% interest in a joint operation (the "SAN-Umnex Joint Venture"). The remaining 26% was held by Umnex Mineral Holdings Pty ("UMH"), which had title to the Zebediela licences through its subsidiary, UML. With URU'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 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 Nickel Project extends over three separate adjacent prospecting rights in the Limpopo Province of South Africa. All three rights are held by LPU, which in turn is 100% owned by UML.

All three rights are currently compliant with minimum expenditure obligations, annual report submissions, annual prospecting fees, and submitted prospecting work programs.

Under the terms of the acquisition agreement, UMH is permitted to return the shares and take back the licences should URU Metals:

- 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 September 30, 2017, 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 12,000,000 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, 2017, none of the above conditions have occurred.

On April 19, 2017, the Company 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 URU or its successor for the amount of $2 million provided that URU exercises this right within 24 months of the Mining Right being issued by the Department of Mineral Resources of South Africa.

8. Marketable security

On March 1, 2017, the Company acquired 7,550,000 shares of Management Resource Solutions Plc ("Management Resource") for GBP0.15 per share by issuance of 25,166,666 common shares of the Company. The fair value of the Management Resource shares was determined to be the value of the URU shares issued, as Management Resource was a public company whose shares were not trading at the time and the market price was not available. Also on May 5, 2017, the MRS shares resumed trading on the AIM market of the London Stock Exchange. During the period ended September 30, 2017, the Company acquired an additional 10 million common shares of Management Resource for $648 (GBP500). As at September 30, 2017, the investments in Management Resource shares were valued at $1,128 based on share price of GBP0.048 per share.

9. Receivables

(In thousands of United States Dollars)	**As at September 30, 2017**	**As at March 31, 2017**
Receivables	**$ 65**	$ 171

10. 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, 2016	323,960,379	$ 3,240	$ 47,236	$ 50,476
Shares issued in private placements (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
Shares issued in private placements (iii)(iv)(v)	374,944,444	3,749	(1,122)	2,627
Shares issued for professional fees (iii)(iv)(v)	23,499,999	235	(93)	142
Fair value of warrants issued (iv)	-	-	(57)	(57)
Shares issued upon exercise of warrants(vi)	20,000,000	200	46	246
Reclassification of fair value of warrants upon exercise (vi)	-	-	57	57
Shares issued for acquisition of marketable security(vii)	25,166,666	252	898	1,150
Transaction costs incurred for private placement	-	-	(214)	(214)
Balance, March 31, 2017	772,571,488	$ 7,726	$ 46,723	$ 54,449
Shares issued upon exercise of stock options (viii)	8,000,000	80	139	219
Reclassification of fair value of stock options exercised (viii)	-	-	92	92
Balance, September 30, 2017	780,571,488	$ 7,806	$ 46,954	$ 54,760

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. The CEO 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.

(iii) On November 22, 2016, the Company issued 185,000,000 shares at GBP 0.004 for gross proceeds of $832,000 and settlement of director fees and consulting fees of $87,000. Officers and directors of the Company subscribed for 32,500,000 shares for $161,000. Transaction costs of $81,000 were incurred.

(iv) On January 9, 2017, the Company issued 200,000,000 shares at GBP 0.0045 for gross proceeds of $1,063,000 and settlement of director fees and consulting fees of $30,000. Related parties including, Niketo Limited, a company with the common management of URU and officers and directors of the Company subscribed for 31,111,111 shares for $170,000. Transaction costs of $105,000 were incurred.

On January 9, 2017. the Company issued 20,000,000 warrants to Adam International Investments Limited ("Adam International") with each warrant exercisable at GBP0.01 for a share of the Company. The fair value of the warrants was determined to be $57 using the Black Scholes model with the following assumptions: risk free rate of 0.73%, dividend yield of 0%, expected life of 1 year, expected volatility of 145.7%, exercise price of GBP 0.01 and share price of GBP0.0059.

(v) On February 13, 2017, the Company issued 13,444,443 shares at GBP 0.045 for gross proceeds of $732,000 and settlement of director fees and consulting fees of $25,000. Related parties including Niketo Limited, a company with the common management of URU and officers and directors of the Company subscribed for 3,555,555 shares for $200,000. Transaction costs of $21,000 were incurred.

(vi) On March 1, 2017, the Company issued 20,000,000 shares for the exercise of the 20,000,000 warrants issued to Adam International above for gross proceeds of $246,000.

(vii) On March 1, 2017, the Company issued 25,166,666 in exchange for acquisition of 7,550,000 of Management Resources Solutions Plc ("MRS") from Scopn Pty Ltd. at a price of GBP0.15 per share. Transaction costs of $7,000 were incurred.

(vii) During the six months ended September 30, 2017, 8,000,000 shares were issued upon exercise of stock options.

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, 2017 (year ended March 31, 2017 - $nil)

11. 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, 2017.

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, 2017:

Exercise prices (GBP)	Weighted average remaining life (years)	Number of options originally granted	Number exercisable
0.06	4.65	15,050,000	-
0.09	4.65	15,150,000	-
0.049	3.06	32,833,334	2,633,334
0.07	4.52	63,033,334	2,633,334

(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, 2016, September 30, 2016 and March 31, 2017	11,133,334	0.03
Options exercised	(8,000,000)	0.03
Options expired unexercised	(500,000)	0.03
Options granted	30,200,000	0.08
Balance, September 30, 2017	2,633,334	0.07

(b) Warrants

The following is a summary of the Company's warrants granted under its Share Incentive Scheme. As at September 30, 2017, 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

Refer to note 11(iv) for the issuance and exercise of 20 million warrants during the year ended March 31, 2017.

12. Trade and other payables

(In thousands of United States Dollars)	As at September 30, 2017	As at March 31, 2017
Other payables	**$ 350**	$ 291
Accruals	**541**	386
	$ 891	$ 677

13. Related party transactions

(a) Transactions with key management personnel

During the six months ended September 30, 2017, 24,400,000 stock options were granted to key management personnel.

The following stock options granted to directors, management and past directors and management were outstanding as at September 30, 2017.

Directors/officers	Weighted average exercise price (GBP)	Number of options originally granted	Expiry date
Directors			
J. Vieira	0.06	2,600,000	April 19, 2022
J. Vieira	0.09	2,600,000	April 19, 2022
Henry Kloepper	0.06	1,000,000	April 19, 2022
Henry Kloepper	0.09	1,000,000	April 19, 2022
Management			
J. Zorbas	0.06	5,000,000	April 19, 2022
J. Zorbas	0.09	5,000,000	April 19, 2022
Former director			
D. Subotic	0.06	1,000,000	February 27, 2016
D. Subotic	0.02	3,000,000	May 23, 2017

(b) Management remuneration

(In thousands of United States Dollars)	**Six months ended September 30, 2017**	**Six months ended September 30, 2016**
Fees for services as director	**$ 13**	$ 16
Basic salary	**92**	69
Share-based payments	**43**	-
Total	**$ 148**	$ 85

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 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, 2017 or 2016.

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 periods ended September 30, 2017 and 2016 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,	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Depreciation	$ (13)	$ -	$ -	$ -	$ (13)	$ -
Reportable segment loss before tax	$ (13)	$ -	$ (1,292)	$ (184)	$ (1,305)	$ (184)

	Exploration		**Corporate office**		**Total**	
As at September 30,	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Reportable segment assets	$ 3,207	$ 2,928	$ 3,137	$ 427	$ 6,344	$ 3,355
Reportable segment liabilities	$ (10)	$ (12)	$ (881)	$ (596)	$ (891)	$ (608)

(c) Geographical segments

During the six months ended September 30, 2017 and 2016, 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, 2017 and assets and liabilities as at September 30, 2017:

(In thousands of United States Dollars)	**Canada**	**Sweden**	**South Africa**	**Total**
Net loss	$ (1,292)	$ -	$ (13)	**$ (1,305)**
Total assets	$ 3,137	$ -	$ 3,206	**$ 5,862**
Non-current assets	$ 148	$ -	$ 3,168	**$ 3,316**
Liabilities	$ (881)	$ (10)	$ -	**$ (891)**

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	$	-	$	-	$	2,898	**$**	**2,898**
Liabilities	$	(596)	$	(12)	$	-	**$**	**(608)**

15. Commitments and Contingency

Commitments

Refer to note 7 for conditional consideration for UML acquisition.

Contingency

The Company's former controller filed a law suit claiming approximately $40,000 against the Company. URU delivered a defense 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, defense and counterclaim and no amounts have been accrued in the consolidated financial statements in relations to this matter.