

**URU Metals Limited**  
**("URU Metals" or "the Company")**

**Interim Results**

URU Metals is pleased to announce its interim results for the period ended 30 September 2020.

**Chairman's Statement**  
**For the Period Ended 30 September 2020**

I am pleased to present to our shareholders and stakeholders the consolidated financial statements of the Group for the six months ended 30 September 2020.

As the renewable energy revolution gains traction, nickel and platinum group elements are playing an important role in the storage of energy. This bodes well for the Zebediela project, which as noted by the Company in its announcement of 16 October 2020, is ranked as one of the top ten Class 1 nickel sulphide resources globally (Mudd, & Jowitt, (2014). A detailed assessment of global nickel resource trends and endowments. Economic Geology, 109(7), 1813-1841).

During the Period under review, the focus has been on advancing the environmental impact studies related to the mining right application, which has proceeded smoothly. The final environmental impact report is expected to be submitted to the South African Department of Mineral Resources and Energy (DMRE) in Q1 2021, which will pave the way for the DMRE to issue the Mining Right, thus granting the Company the right to mine the 9 billion pounds of nickel resource as well as to mine and explore for Platinum Group Elements and associated minerals for 30 years.

Highlights

The highlights of our progress during the six months ended 30 September 2020 and to the date of this report can be summarised as follows:

The Company submitted an application to convert its existing Prospecting Rights to a Mining Right to the South African Department of Mineral Resources (DMRE) in the prior fiscal year. The application was accepted also in the prior year. The application triggered the need for the Company to apply for Environmental Authorisation (EA) to develop an open pit mining operation to extract the nickel resource. The EA requires the submission of an Environmental Impact Report (EIR), which consists of various specialist studies to understand the impact of the future operation. These have since been completed and a draft submission of the EIR has been submitted to the DMRE.

The area to the immediate east of the existing nickel resource was partly drilled in 2017 and drill results contained nickel and platinum group elements (PGE's) at a higher grade than that found in the Company's existing NI43-101 compliant resource. The Company believes this target area could be the up-dip extension of Ivanhoe Mines' 800 m deep Platreef project. Ivanhoe's Platreef Project is located immediately west and adjacent to URU's Zebediela Project.

Convertible Loan Note

On 6 May 2020, the Company issued a Convertible Loan Note for \$250,000 to Boothbay Absolute Return Strategies LP ("Boothbay"). The Convertible Loan Note can be increased by Boothbay to \$500,000 prior to the maturity of the Loan Note on 31 May 2021. The Loan Note is unsecured, matures on 31 May 2021 or such later date as the Company may in its sole discretion determine.

Private Placements

On 6 May 2020, the Company raised approximately £200,000 through the subscription for 235,294 depository interests of no par value each in the Company ("Ordinary Share") at a price of 85 pence each per new Ordinary Share. Each New Ordinary Share has an attached warrant with an exercise period of 18 months and are exercisable at 85 pence each.

The Company also agreed to issue 470,588 new Ordinary Shares at 85 pence each per new Ordinary Share to Alegana Enterprises Limited (a company controlled by J. Zorbas) in lieu of unpaid director fees and salaries. Each new Ordinary Share has an attached warrant with an exercise period of 18 months and are exercisable at 85 pence each .

#### Post-Period Events

On 25 November 2020, the Company raised £280,600 through the subscription for 122,000 new Ordinary Shares in the share capital of the Company at a price of 230 pence per share.

On 26 November 2020, the Company issued 32,858 new Ordinary Shares at a price of 245 pence each, being the closing mid-market price of the Company's shares on 25 November 2020, to several persons discharging managerial responsibilities in the Company (the "PDMR Shares") for a notional value of £80,500 in aggregate. The PDMR Shares have been issued to Jay Viera (9,388 shares), Kyle Appleby (9,388 shares) and Marrelli Support Services Inc. (14,082 shares), for the services of Jing Peng as CFO to Marrelli Support Services Inc. in lieu of unpaid directors fees and salary that were due for payment in cash.

The Company also issued 5,380 new Ordinary Shares at a notional price of 230 pence each, being the placing price of the equity raising announced on 25 November 2020, to an adviser of the Company in lieu of fees that were due in cash.

#### Outlook

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.

Jay Vieira

Non-executive Chairman

29 December 2020

**Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.**

For further information, please contact:

URU Metals Limited  
John Zorbas  
(Chief Executive Officer)  
+1 416 504 3978

SP Angel Corporate Finance LLP  
(Nominated Adviser and Broker)  
Ewan Leggat  
+ 44 (0) 203 470 0470

**URU Metals Limited**  
**Condensed Consolidated Interim Statement of Comprehensive Income**  
**For the Period Ended 30 September 2020**  
(Unaudited)

	Six months ended 30 September 2020 \$'000	Six months ended 30 September 2019 \$'000
Administrative expenses	(302)	(263)
Operating loss before below items	(302)	(263)
Loss on settlement of debt with share (note 12)	(1,508)	
<b>Net loss for the period</b>	<b>(1,810)</b>	<b>(263)</b>
<b>Other comprehensive income</b>		
<b>Items that will be reclassified subsequently to income</b>		
Effect of translation of foreign operations	177	33
<b>Other comprehensive income for the period</b>	<b>177</b>	<b>33</b>
<b>Total comprehensive loss for the period</b>	<b>(1,633)</b>	<b>(230)</b>
<b>Basic and diluted net loss per share (USD cents)</b>	<b>(1.34)</b>	<b>(0.34)</b>
<b>Weighted average number of common shares outstanding</b>	<b>1,347,591</b>	<b>779,944</b>

The loss per share calculation relates to both continuing and total operations.

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

**URU Metals Limited**  
**Condensed Consolidated Interim Statement of Financial Position**  
**As at 30 September 2020**  
**Unaudited**

	As at 30 September 2020 \$'000	As at 31 March 2020 \$'000
<b>ASSETS</b>		

<b>Non-current assets</b>		
Property, plant and equipment (note 8)	-	7
Intangible assets (note 9)	3,055	2,724
Long-term prepaid assets (note 7)	41	41
<b>Total non-current assets</b>	<b>3,096</b>	<b>2,772</b>
<b>Current assets</b>		
Trade and other receivables (note 10)	72	60
Cash and cash equivalents	223	66
<b>Total current assets</b>	<b>295</b>	<b>126</b>
<b>Total assets</b>	<b>3,391</b>	<b>2,898</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital (note 12)	7,813	7,806
Share premium (note 12)	48,233	46,938
Equity portion of convertible loan note (note 11)	34	-
Other reserves (note 13)	2,148	1,085
Accumulated deficit	(56,381)	(54,571)
<b>Total equity</b>	<b>1,847</b>	<b>1,258</b>
<b>Current liabilities</b>		
Trade and other payables (note 14)	1,323	1,640
Convertible loan note (note 11)	221	-
<b>Total liabilities</b>	<b>1,544</b>	<b>1,640</b>
<b>Total equity and liabilities</b>	<b>3,391</b>	<b>2,898</b>

**URU Metals Limited**  
**Condensed Consolidated Interim Statement of Cash Flows**  
**For the Period Ended 30 September 2020**  
**Unaudited**

	Six months ended 30 September 2020 \$'000	Six months ended 30 September 2019 \$'000
<b>Cash flows from operating activities</b>		

Net loss for the period	(1,810)	(263)
Adjustments for:		
Depreciation	7	20
Stock-based compensation	11	-
Interest expense and finance charges	17	-
Loss on settlement of debt with shares	1,508	-
Unrealised foreign exchange gain	-	(7)
Changes in non-cash working capital items:		
Decrease/(increase) in receivables	(12)	(3)
Increase in trade and other payables	94	19
<b>Net cash used in operating activities</b>	<b>(185)</b>	<b>(243)</b>
<b>Investing activities</b>		
Purchase of intangible assets	(164)	(163)
<b>Net cash used in investing activities</b>	<b>(164)</b>	<b>(1,056)</b>
<b>Financing activities</b>		
Net proceeds from private placement	247	-
Net proceeds from convertible loan note	250	-
<b>Net cash generated by financing activities</b>	<b>497</b>	<b>-</b>
Loss on exchange rate changes on cash and cash equivalents	9	-
<b>Net decrease in cash and cash equivalents</b>	<b>157</b>	<b>(397)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>66</b>	<b>475</b>
<b>Cash and cash equivalents, end of period</b>	<b>223</b>	<b>78</b>

**URU Metals Limited**  
**Condensed Consolidated Interim Statement of Changes in Shareholders' Equity**  
**30 September 2020**  
**Unaudited**

**Equity attributable to shareholders**

	Share Capital	Share Premium	Equity Portion of Convertible Loan Note	Share Option and Warrants Reserve	Foreign Currency Translation Reserve	Accumulated Deficit	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 March 2019	7,806	49,938	-	2,344	(1,314)	(53,839)	1,935
Net loss and comprehensive loss for the period	-	-	-	-	33	(263)	(230)
At 30 September 2019	7,806	46,938	-	2,344	(1,281)	(54,102)	1,705

<b>At 31 March 2020</b>	<b>7,806</b>	<b>46,938</b>	<b>-</b>	<b>2,461</b>	<b>(1,376)</b>	<b>(54,571)</b>	<b>1,258</b>
Common shares issued in private placement, net of cost	2235,294	232	-	-	-	-	234
Fair value of warrants issued in private placement	-	(94)	-	94	-	-	-
Common shares and warrants issued in settlement of debt	5	1,157	-	781	-	-	1,943
Stock-based compensation	-	-	-	11	-	-	11
Equity portion of Convertible Loan Note	-	-	34	-	-	-	34
Net loss and comprehensive loss for the period	-	-	-	-	177	(1,810)	(1,633)
<b>At 30 September 2020</b>	<b>7,813</b>	<b>48,233</b>	<b>34</b>	<b>3,347</b>	<b>(1,199)</b>	<b>(56,381)</b>	<b>1,847</b>

**URU Metals Limited**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**30 September 2020**  
**Unaudited**

**1. General information**

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

The unaudited condensed consolidated interim financial statements of the Group for the period ended 30 September 2020 comprise the Company and its subsidiaries.

**2. Nature of operations**

During the six months ended 30 September 2020, the Group's principal business activities were the exploration and development of mineral properties in South Africa.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and development programs will result in profitable mining operations. The Group has not yet established whether its mineral properties contain reserves that are economically recoverable. Changes in future conditions could require material write-downs of the carrying values of mineral properties.

The Group is in the exploration stage and is subject to the risks and challenges similar to other companies in a comparable stage of development. These risks include, but are not limited to:

- Dependence on key individuals;
- receipt and maintenance of all required exploration permits and property titles;
- successful development; and
- as noted above, the ability to secure adequate financing to meet the minimum capital required to successfully develop the Group's projects and continue as a going concern.

### **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 29 December 2020, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed consolidated interim financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended 31 March 2020. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending 31 March 2021 could result in restatement of these unaudited condensed consolidated interim financial statements.

#### *(b) Adoption of new accounting policies*

##### **Convertible debentures**

The liability, equity components of convertible debentures are presented separately on the statement of financial position, starting from initial recognition. The Company determines the carrying amount of the financial liability by discounting the stream of future payments at the prevailing market rate for a similar liability of comparable credit status and substantially providing the same cash flows. Subsequently, the liability component is then increased by accretion of the discounted amounts to reach the nominal value of the convertible debenture at maturity, which is recorded in the statement of loss and comprehensive loss as finance costs.

The carrying amount of the equity component is calculated by deducting the carrying amount of the financial liability from the amount of the convertible debenture, and is presented in equity as an equity component of convertible debenture. The equity component is not re-measured subsequent to initial recognition, except on conversion or expiry.

#### *(c) New accounting standards and interpretations*

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

### **4. Financial risk management**

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

### *Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Group's credit risk is primarily attributable to the Group's cash and cash equivalents and trade and other receivables. The Group has no allowance for impairment that might represent an estimate of incurred losses on other receivables. The Group has cash and cash equivalents of \$223,000 (31 March 2020 - \$66,000), which represent the maximum credit exposure on these assets. As at 30 September 2020, the majority of the cash and cash equivalents were held with a major Canadian chartered bank from which management believes the risk of loss to be minimal.

### *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically the Group tries to ensure that it has sufficient cash on demand to meet expected operational expenses for a period of twelve months, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. Management monitors the rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows.

The following are the contractual maturities of financial liabilities:

	<b>Carrying amount \$'000</b>	<b>Contractual cash flows \$'000</b>	<b>6 months or less \$'000</b>	<b>6 months to 5 years \$'000</b>
<b>30 September 2020</b>				
Trade and other payables	1,323	1,323	1,323	-
<b>31 March 2020</b>				
Trade and other payables	1,640	1,640	1,640	-

### *Market risk*

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

### Foreign currency rate risk

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

The Group does not hedge its exposure to currency risk.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term imbalances.

The Group's exposure to foreign currency risk, based on notional amounts, was as follows:

	<b>USD \$'000</b>	<b>ZAR \$'000</b>	<b>GBP \$'000</b>	<b>SEK \$'000</b>	<b>CAD \$'000</b>	<b>Total \$'000</b>
<b>30 September 2020</b>						



Cash and cash equivalents	213	-	1	-	9	223
Trade and other receivables	-	-	-	-	727	67
Trade and other payables	(25)	(224)	(451)	(54)	(569)	(1,323)
<b>31 March 2020</b>						
Cash and cash equivalents	50	-	5	-	11	66
Trade and other receivables	-	-	-	-	60	60
Trade and other payables	-	(191)	(380)	(49)	(1,020)	(1,640)

#### Interest rate risk

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

#### *Market risks*

#### Sensitivity analysis

A 10% strengthening of the USD against the following currencies at the year end would have increased/(decreased) equity and profit or loss by the amounts shown below. This was determined by recalculating the USD balances held using a 10% greater exchange rate to the USD. This analysis assumes that all other variables, in particular interest rates, remain constant.

	30 September 2020		30 September 2019	
	Equity	Profit or loss	Equity	Profit or loss
	\$'000	\$'000	\$'000	\$'000
GBP	-	45	-	15
CAD	-	49	-	83
ZAR	-	22	-	-
SEK	-	5	-	5

## 5. Capital risk management

The Group includes its share capital, share premium, reserves and accumulated deficit as capital. The Group's objective is to maintain a flexible capital structure which optimises the costs of capital at an acceptable risk. In light of economic changes and with the risk characteristics of the underlying assets, the Group manages the capital structure and makes adjustments to it. As the Group has no cash flow from operations and in order to maintain or adjust the capital structure, the Group may issue new shares, issue debt and/or find a strategic partner. The Group is not subject to externally imposed capital requirements.

The Group prepares annual expenditure budgets to facilitate the management of its capital requirements and updates them as necessary depending on various factors such as capital deployment and general industry conditions. During the six months ended 30 September 2020 there were no changes in the Group's approach to capital management.

## 6. Earnings per Share

The calculation of basic and diluted earnings per share is based on the result attributable to shareholders divided by the weighted average number of ordinary shares in issue in the year.

Basic earnings per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The Company has potentially issuable shares which relate to share options issued to directors and third parties. In the six months ended 30 September 2020 and 30 September 2019 none of the options had a dilutive effect on the loss.

	<b>Six months ended 30 September 2020</b>	<b>Six months ended 30 September 2019</b>
Loss used in calculating basic and diluted earnings per share (\$'000)	(1,810)	(263)
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	1,347,591	779,944
Weighted average number of shares for the purpose of diluted earnings per share	1,347,591	779,944
Basic loss per share (US dollars)	(1.34)	(0.34)
Diluted loss per share (US dollars)	(1.34)	(0.34)

## 7. Long-term prepaid assets

	<b>As at 30 September 2020</b>	<b>As at 31 March 2020</b>
Long-term prepaid assets	<b>41</b>	<b>41</b>

On determination that an impairment charge was required for the Group's SSOAB Licences project, the Group identified a long-term prepaid asset for future drilling costs that may be applied to projects undertaken in other locations. Accordingly, the long-term prepaid asset was transferred out of intangible assets.

## 8. Property, plant and equipment

<b><i>COST</i></b>	<b>Field equipment \$'000</b>
At 31 March 2020 and September 30, 2020	<b>114</b>
<b><i>ACCUMULATED DEPRECIATION</i></b>	<b>Field equipment \$'000</b>

At 31 March 2020	<b>107</b>
Depreciation for the period	7
At 30 September 2020	<b>114</b>

	<b>Field equipment \$'000</b>
<b>CARRYING VALUE</b>	
At 31 March 2020	7
At 30 September 2020	-

## 9. Intangible assets

<i>Exploration costs</i>	
<b>COST</b>	<b>\$'000</b>
At 31 March 2020	<b>5,180</b>
Additions	164
Foreign exchange	272
At 30 September 2020	<b>5,616</b>

<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>	<b>\$'000</b>
At 31 March 2020	<b>2,456</b>
Foreign exchange	105
At 30 September 2020	<b>2,561</b>

<b>CARRYING VALUE</b>	<b>\$'000</b>
At 31 March 2020	<b>2,724</b>
At 30 September 2020	<b>3,055</b>

The Group has operated three distinct projects, SSOAB Licences, Nueltin Licence and the South African Projects as detailed below:

The exploration costs, amortisation and impairment detailed in the above table are in respect of the Group's South African Projects only. The Group's exploration costs in respect of its SSOAB Licences project of \$1,145,000 were fully impaired at 31 March 2016 and the exploration costs in respect of its Nueltin Licence project of \$153,000 were fully impaired at 31 March 2015. The Burgersfort South African project was fully impaired at 31 March 2019. At 30 September 2020 the carrying value is solely in relation to the Zebediela Nickel Project described below.

### SSOAB Licences

SSOAB (as defined in note 3) 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 31 March 2016, due to the continued decline of the prices of oil and uranium, the Group decided not to pursue the development of SSOAB properties and therefore determined that the recoverable amount of the intangible assets under the SSOAB properties was estimated to be \$nil. The Group fully impaired the intangible

assets in the consolidated statement of financial position for the year ended 31 March 2016. The foreign currency reserve of SSOAB was reclassified from equity to the consolidated statement of comprehensive income in the year ended 31 March 2017.

#### **Nueltin Licence**

8373825 Canada Inc. ("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, Nueltin could earn 51% interest in the project from Cameco in return for exclusively funding CDN\$2.5 million in exploration expenditure by 31 December 2016. The Cameco project was considered to be one CGU. The Group fully impaired the intangible assets in the consolidated statement of financial position in the year ended 31 March 2015 as the Group had no plans to pursue the project in Nunavut Territory and thus let the option expire.

#### **South African Projects**

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

The Burgersfort Project extends over two adjacent prospecting rights in Burgersfort North and Burgersfort South. The Group has no plans to pursue the project and as announced on 31 May 2019 has fully impaired the intangible assets related to Burgersfort Project in the amount of \$868,000 in the consolidated statement of financial position as at 31 March 2019.

The Zebediela Nickel Project extends over three separate adjacent prospecting rights in the Limpopo Province of South Africa. All three rights are now held by Lesogo Platinum Uitloop Pty ("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 the Group:

- fail to maintain adequate cash funds to meet its general and project expenditure obligations, or
- fail to meet the purchased rights' minimum statutory expenditure obligations
- 

As at 30 September 2020, the "general and project expenditure obligations" and the "minimum statutory expenditure obligations" of the general and project expenditure obligations had not been determined.

Additionally, conditional consideration of 12,000 free-trading shares is payable if either 1) a transaction is consummated by the Group to sell, farm-out, or similarly dispose of any portion of a mineral project on some or all of the mining titles, or 2) a mining right is obtained from DMRE in respect of some or all of the rights, or 3) an effective change of control of the Group occurs. As at 31 March 2020 none of the above conditions have occurred.

On 19 April 2017, the Group entered into a Corporate and Management Services Agreement (the "Agreement") with UMH. As per the Agreement, UMH shall provide to UML services including project management, coordination of mining rights application, mineral rights management, finance and accounting, technical, metallurgical, engineering and geological services and corporate finance and capital raising. In exchange of the services, UMH will earning the following fees:

1. Once the Bankable Feasibility Study commences a monthly retainer of ZAR150,000 until then a monthly retainer of ZAR75,000 will be paid;
2. First right of offer for technical, metallurgical, engineering and geological services at market related pricing;
3. Capital raising and corporate finance fees of 5% of the transaction value of capital raised through UMH sources;
4. UMH will be issued a 1.5% royalty on all revenue generated from the Zebediela project. 1% of the royalty can be purchased back by the Company or its successor for the amount of \$2 million provided that the Company exercises this right within 24 months of the Mining Right being issued by the Department of Mineral Resources of South Africa.

On 4 December 2018 the Company announced that the DMRE had formally approved and executed the renewal of the primary prospecting right. The right will expire on 2 December 2021.

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

## 10. Trade and other receivables

	<b>30 September</b>	<b>31 March</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Other receivables	72	60

## 11. Convertible loan note

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

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

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

On 4 November 2020, the Company extended the notice period relating to the Convertible Loan Note as previously announced on 6 May 2020 and extended on 6 August 2020, for a further 90 days with effect from 4 November 2020 (note 18).

Upon initial recognition, the Convertible Loan Note is allocated between financial liability of \$204,000 and equity portion of \$34,000. The Company accrued a transaction cost of \$12,500 which was included in the financial liability.

During the three months ended 30 September 2020, the Company recorded accretion of \$12,000 and amortization of capitalized transaction costs of \$5,000 and as at 30 September 2020, the carrying value of the Convertible Loan Note was \$221,000.

## 12. Share capital and share premium

	Number of shares	Share capital \$'000	Share premium \$'000	Total \$'000
At 31 March 2020	780,571	7,806	46,938	54,744
Common shares issued in private placement	235,294	2	232	234
Fair value of warrants issued in private placement	-	-	(94)	(94)
Common shares issued in settlement of debt	470,588	5	1,157	1,162
At 30 September 2020	1,486,453	7,813	48,233	56,046

### *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.

On 6 May 2020, the Company raised approximately £200,000 through the subscription for 235,294 ordinary shares at 85 pence per share. Each share has an attached warrant with an exercise period of 18 months and are exercisable at 85 pence. The fair value of the warrants was determined to be \$94,000 using the Black-Scholes Model that takes into account the exercise price, the term of the warrant, 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 warrant.

On 6 May 2020, the Company issued 470,588 ordinary shares at 85 pence per share to Alegana Enterprises Limited (a company controlled by J. Zorbias) in lieu of unpaid director fees and salaries. Each share has an attached warrant with an exercise period of 18 months and are exercisable at 85 pence. The fair value of the shares issued was \$1,162,000 based on share price of the Company on the date of the settlement. The fair value of the warrants issued was determined to be \$781,000 using the Black-Scholes Model that takes into account the exercise price, the term of the warrant, 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 warrant. The amount of unpaid director fees and salaries settled was \$435,000, resulting in a loss on settlement of debt with shares of \$1,508,000.

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

	<b>6 May 2020</b>
Exercise price (£)	0.85

Share price (£)	2.00
Expected volatility	96.62%
Expected life	1.5 years
Risk-free interest rate	0.3%
Expected dividends	0.0%

*Unissued shares*

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

*Dividends*

Dividends declared and paid by the Group were \$nil for the year ended 30 September 2020 (30 September 2019 - \$nil).

**13. Reserves**

(a) Share option and warrants reserve

The Share Option Plan is administered by the Board of Directors, which determines individual eligibility under the plan for optioning to each individual. Below is disclosure of the movement of the Group's share options as well as a reconciliation of the number and weighted average exercise price of the Group's share options outstanding on 30 September 2020 and 31 March 2020.

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

No stock options were granted during the six months ended 30 September 2020.

(i) Reconciliation of share options outstanding as at 30 September 2020:

Exercise prices (£)	Weighted average remaining life (years)	Number of options outstanding	Number exercisable
60	1.65	15,050	15,050
90	1.65	15,150	15,150
49	0.06	2,633	2,633
70	2.02	32,833	32,833

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

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

(ii) Continuity and exercise price

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

	Number of options	Weighted average exercise price per share (£)
At 31 March 2020 and 30 September 2020	32,833	70

The following is a continuity of the Group's warrants granted during the period ended 30 September 2020.

	Number of options	Weighted average exercise price per share (£)
At 31 March 2020	-	-
Warrants issued	705,882	0.85
At 30 September 2020	705,882	0.85

Reconciliation of warrants outstanding as at 30 September 2020:

Exercise prices (£)	Weighted average remaining life (years)	Number of warrants outstanding
0.85	1.10	705,882

(b) Foreign Currency Translation Reserve

The Foreign Currency Translation Reserve represents foreign currency differences recognised directly in other comprehensive income when assets and liabilities of foreign operations are translated to the Group's presentational currency at exchange rates at the reporting date and income and expenses are translated to the Group's presentational currency at average exchange rates.

**14. Trade and other payables**

	As at 30 September 2020 \$'000	As at 31 March 2020 \$'000
Other payables	671	888
Accruals	652	752
	<b>1,323</b>	<b>1,640</b>

**15. Related party transactions**



(a) Transactions with key management personnel

During the six months ended 30 September 2020, nil (six months ended 30 September 2019 - nil) share options were granted to key management personnel as defined by IAS 24 'Related party disclosures'. Key management personnel include J. Peng, a senior employee of Marrelli Support Services Inc. (MSSI), a company which provides financial accounting services to the Group. Below is the listing of the stock options held by key management personnel and the share expire on 19 April 2022.

The following share options, granted to current and past directors and management, were outstanding as at 30 September 2020.

Directors/officers	Exercise price (£)	Number of options outstanding	Expiry date
Directors			
J. Zorbas	60	5,000	19 April 2022
J. Zorbas	90	5,000	19 April 2022
J. Vieira	60	2,600	19 April 2022
J. Vieira	90	2,600	19 April 2022
Management			
J. Peng	60	1,000	19 April 2022
J. Peng	90	1,000	19 April 2022
Former directors			
D. Subotic	60	2,600	19 April 2022
D. Subotic	60	2,600	19 April 2022
H. Kloeppe	60	1,000	19 April 2022
H. Kloeppe	90	1,000	19 April 2022

(b) Directors' remuneration

	Six months ended 30 September 2020	Six months ended 30 September 2019
	\$'000	\$'000
Fees for services as director	16	15
Basic salary	90	90
Total	106	108

Included in trade and other payables in note 14 are amounts accrued in respect of director fees and salary of directors' of the Company in the year totalling \$532,000 (31 March 2020: \$895,000) being amounts due to J.Zorbas (\$436,000 ( 31 March 2020: \$817,000)); J Vieira (\$57,000, (31 March 2020:\$48,000)); and K. Appleby (\$39,000 (31 March 2020: \$30,000)).

## 16. Segmental information

(a) Reportable segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. Both are determined by the CEO, the Group's chief operating decision-maker, and have not changed in the year. The strategic business units offer different services, and are managed separately because they require different strategies.

The following summary describes the operations in each of the Group's reportable segments:

Exploration	Includes obtaining licences and exploring these licence areas.
Corporate Office	Includes all Group administration and procurement

There are no other operations that meet any of the quantitative thresholds for determining reportable segments during the periods ended 30 September 2020 and 2019.

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

Information regarding the results of each reportable segment is included below. Performance is measured based on segmented results. Any inter-segment transactions would be determined on an arm's length basis. Inter-segment pricing for the periods ended 30 September 2020 and 2019 consisted of funding advanced from Corporate Office to Exploration.

(b) Operating segments

	Exploration		Corporate office		Total	
	2020	2019	2020	2019	2020	2019
Six months ended 30 September	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Depreciation	(7)	(20)	-	-	(7)	(20)
Reportable segment loss before tax	(7)	(20)	(1,803)	(388)	(1,810)	(408)

As at 30 September	Exploration		Corporate office		Total	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reportable segment assets	3,055	2,713	336	170	3,391	2,883
Reportable segment liabilities	(11)	(11)	(1,533)	(1,167)	(1,544)	(1,178)

(c) Geographical segments

During the period ended 30 September 2020 and 2019, business activities took place in Canada and South Africa. In presenting information based on the geographical segments, segment assets are based on the physical location of the assets.

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

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

The following table presents segmented information on the Company's operations and net loss for the period ended 30 September 2019 and assets and liabilities as at 30 September 2019:

	<b>Canada</b>	<b>Sweden</b>	<b>South Africa</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Net loss	(243)	-	(20)	<b>(263)</b>
Total assets	170	-	2,713	<b>2,883</b>
Non-current assets	24	-	2,714	<b>2,738</b>
Liabilities	(1,167)	(11)	-	<b>(1,178)</b>

## 17. Contingent liabilities

The Group is subject to the conditional consideration in respect of the acquisition of UML as detailed in note 9.

## 18. Subsequent events

On 4 November 2020, the Company extended the notice period relating to the Convertible Loan Note as previously announced on 6 May 2020 and extended on 6 August 2020, for a further 90 days with effect from 4 November 2020 (note 11).

On 25 November 2020, the Company raised £280,600 through the subscription for 122,000 depositary interests of no par value each in the share capital of the Company at a price of 230 pence per share.

On 26 November 2020, the issued 32,858 depositary interests of no par value each in the share capital of the Company at a price of 245 pence per share, being the closing mid-market price of the Company's share on 25 November 2020, to several persons discharging managerial responsibilities in the Company (the "PDMR Shares") for a notional value of £80,500 in aggregate. The PDMR Shares have been issued to Jay Viera (9,388 shares), Kyle Appleby (9,388 shares) and Marrelli Support Services Inc. (14,082 shares), for the services of Jing Peng as CFO to Marrelli Support Services Inc. in lieu of unpaid directors fees and salary that were due for payment in cash.

The Company also issued 5,380 shares at a notional price of 230 pence, being the placing price of the equity raising announced on 25 November 2020, to an adviser of the Company in lieu of fees that were due in cash.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [rns@lseg.com](mailto:rns@lseg.com) or visit [www.rns.com](http://www.rns.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how

RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END