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Identifying, Investing and Unlocking the Value of Quality Mineral Projects

Annual Report and Accounts
For the year ended 31 March 2012

LSE: URU.L
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Forward-Looking Statement

This annual report contains 'forward-looking information', which may include, but is not limited to, statements with respect to the future financial and operating performance of URU Metals Limited, its subsidiaries, investment assets and affiliated companies, its mining projects, the future price of uranium, the estimation of mineral resources, the realisation of mineral resource estimates, costs of production, capital and exploration expenditures, costs and timing of the development of new deposits, costs and timing of the development of new mines, costs and timing of future exploration, requirements for additional capital, governmental regulation of mining operations and exploration operations, timing and receipt of approvals, licenses, and conversions under The Republic of Niger and other applicable mineral legislation, environmental risks, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as 'plans', 'expects', 'is expected', 'budget', 'scheduled', 'estimates', 'forecasts', 'intends', 'anticipates' or 'believes', or variations (including negative variations) of such words and phrases, or state that certain actions, events or results 'may', 'could', 'would', 'might' or 'will' be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of URU Metals and/or its subsidiaries, investment assets and/or its affiliated companies to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations and studies; fluctuations in the value of UK pounds sterling relative to the South African Rand and other foreign currencies; changes in project parameters as plans continue to be refined; future prices of

uranium; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability, insurrection or war; the effect of HIV on labour force availability and turnover; delays in obtaining governmental approvals or financing or in the completion of development or construction activities.

Although URU Metals has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may well be other factors that cause actions, events or results to differ from those currently anticipated, estimated or intended.

Forward-looking statements contained herein are made as of the date of this annual report and URU Metals disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein.

Competent Qualified Person's Report

The technical information contained in this announcement has been reviewed and approved by Dr Brendan Clarke Pr.Sci. Nat., Geology Operation Manager at The MSA Group and Mr Rob Croll, Head of Consulting at The MSA Group. Dr Clarke is a member of the Geological Society of South Africa and a Professional Natural Scientist (Pr. Sci. Nat) registered with the South African Council for Natural Scientific Professions. Mr Croll is a Fellow of the Southern African Institute of Mining and Metallurgy. Dr Clarke has sufficient experience relevant to the style of mineralisation under consideration to qualify as a Qualified Person (QP) and verifies that exploration data has been acquired by URU Metals using best practice quality assurance and quality control protocols. Mr Croll has sufficient experience to qualify as a Qualified Valuator (QV). Dr Clarke and Mr Croll are consultants to URU Metals with no interest in the Company. Both Dr Clarke and Mr Croll have consented to the inclusion in this announcement of their names in the form and context in which they appear.

URU Metals' mission is to identify, invest in and unlock the hidden value of quality mineral exploration and development projects.

URU Metals' vision is to become the AIM market's premier junior resource company by identifying and developing the next generation of emerging value accretive mineral project opportunities.

Our Business



Niger

- Eight 100% owned uranium exploration licences (a total of 6,773 square kilometres).
- Current focus on the prospective In Gall and Irhazer licence areas.
- Objective to identify and delineate a large-scale, economically recoverable uranium resource.



Southern African Nickel (SAN) Joint Venture

- Developing two highly prospective nickel projects in the Bushveld Ni-Cu-PGM district of South Africa – Zebediela and Burgersfort.
- Potential to host large, near-surface disseminated sulphide nickel mineralisation.
- Positive NI 43-101 compliant Preliminary Economic Assessment for the Zebediela Nickel Project received in June 2012. Indicated Resources are 485.4 million tonnes at a grade of 0.245% total Nickel at a cut off of 1,000ppm. with additional Inferred Resources of 1,115.1 million tonnes at a grade of 0.248% total Nickel at a cut off of 1,000 ppm.
- Using Indicated Resources only, a proposed open-pit mine is envisioned with a 25-year mine life, producing 53,600,000 lbs of recoverable nickel per annum.
- Plans to list JV as a separate entity, subject to technical and market conditions.



UrAmerica Investment

- South American uranium exploration company in which URU holds a 7.36% equity interest.
- Major player in the exploration of Chubut Province, Argentina, a proven uranium region.
- NI 43-101 compliant inferred resource of 1.6 million lbs U_3O_8 , at an average grade of 0.08% eU_3O_8 .
- Strategic Alliance with Cameco Global South America Inc. and Cameco Global Exploration Ltd announced in October 2011 to fund exploration activities until 2013.

The 2011/12 financial year was an important year of active project development on many fronts, as URU Metals continued to work to its stated strategy of delivering value from its large-scale nickel and uranium assets in Southern Africa and Niger.

Highlights

Q1

April

Due diligence between SAN and Umnex Holdings relating to the acquisition of the Zebediela Nickel Project, South Africa, is successfully completed. Zebediela becomes part of SAN's asset portfolio.

Drilling re-commences at URU Metals' In Gall and Irhazer uranium licences, Niger.

June

Initial drilling results for the Zebediela and Burgersfort Nickel Projects are announced, confirming the presence of potentially large disseminated nickel resources at both project sites.

Q3

October

UrAmerica, the private exploration company active in Argentina in which URU Metals has a substantial interest, enters a strategic alliance agreement with Cameco Global South America Inc.

November

Drilling at Zebediela and Burgersfort continues to produce good results; both projects have potential to host considerable sized open pit disseminated sulphide nickel resources.

Q4

February 2012

Roger Lemaitre replaces Anton Esterhuizen as Chief Executive Officer of URU Metals. A professional engineer and geologist, Mr. Lemaitre has worked for more than 20 years with such major mining companies as Cameco Corporation.

Post Balance Sheet

April

First phase drilling is completed at the Zebediela and Burgersfort Nickel Projects. URU Metals satisfies the terms of the Joint Venture Agreement and has fully vested its interest in both projects. The MSA Group is engaged to complete a Preliminary Economic Assessment ("PEA") for the Zebediela Nickel Project.

June

The NI 43-101 compliant PEA for Zebediela is completed, projecting a pre-tax and royalty net present value of \$1,018 million at an 8% discount rate and an internal rate of return of 25.7%. Indicated Resources are announced at 485.4 million tonnes at a grade of 0.245% total Nickel, and 1,115.1 million tonnes Inferred Resources at a grade of 0.248% total Nickel.

- Our strategy to build shareholder value, to grow our asset portfolio and to achieve shared benefits for stakeholders rests on three fundamental core principles. Each principle is vital to the on-going success of URU Metals, but the emphasis that is given to each particular principle depends on results, performance and market conditions in the sectors in which we operate. By responding to such conditions in a timely, efficient manner, URU Metals strives to optimise value through flexibility.

Our Strategy

1

Advancing 100% owned projects

Medium to long-term returns

URU Metals invests in exploration and drilling programmes to delineate a mineable resource. Should such a resource be defined, the Company will establish operational projects and work towards the production and earnings stages.

2

Joint ventures

Near to medium-term returns

URU Metals will undertake joint ventures with companies that have potential to create value through mineral project development, and invest substantially in those joint ventures to advance asset development over the near term.

3

Strategic investments

Near to medium-term returns

The Company will make timely investments in listed or unlisted mining and mineral development companies to optimise shareholder value. Where appropriate, URU Metals will act as an active investor and will strive to advance corporate actions that deliver value-adding outcomes (for example, project development to increase company valuation or to achieve a listing).



In tandem with overseeing and driving our exploration and project development activities on the ground, URU Metals continued to engage in a process of careful strategic planning. The objective is to ensure that URU can uphold shareholder value at a time of challenging market conditions.



Paul Loudon
Non-Executive Chairman

I am pleased to present URU Metals Limited's Annual Report for the year to 31 March 2012. The year has been one of substantial challenges to the global natural resources sector, due to a combination of particular sector-specific issues (the impact of Fukushima on uranium stocks, for example) and wider investor concerns tied to the European Sovereign Debt Crisis and other macro-economic factors.

Our industry faced a challenging environment. Nickel prices fell from US\$26,000 per metric tonne in March 2011 to US\$17,500 in March 2012; prices for U_3O_8 dropped from over US\$70 per pound to US\$55 in the same period. URU Metals, however, has continued to work positively to develop our key nickel and uranium projects. Looking forward, we believe that the long-term fundamentals for the industry remain positive.

Strategic planning is key to the long-term success of our enterprise. The Board has been taking an active role, working closely with management, to develop our strategy priorities and near-term operational focus areas.

URU Metals has achieved a series of major milestones over the past 12 months as the Company develops a strong presence in the South Africa nickel sector.

The policy of diversification into selected non-uranium interests that commenced in the previous reporting year picked up pace during 2011 and has continued into 2012. Based upon the excellent results obtained at the Zebediela Nickel Project throughout the year, URU decided to place a priority emphasis on the development of our joint venture with Southern African Nickel (SAN).

The past year has seen the Company drill define and issue a maiden NI 43-101-compliant mineral resource at the Zebediela Nickel Project of 485.4 million tonnes Indicated Resources and 1.115.1 million tonnes Inferred Resources. An independent PEA completed in June 2012 projects a long-life mine with attractive production fundamentals. Options for progressing the Zebediela Project to feasibility stage are now being investigated, including the potential for listing the nickel JV as a separate entity.

Subsequent to the end of the financial reporting period, a dispute has arisen between our partners on the Zebediela Nickel Project, Southern African Nickel ("SAN") and Umnex Mineral Holdings ("Umnex"), which has the potential to force these two parties to enter arbitration proceedings. URU has been in active discussions between the disputing partners with the objective of facilitating a resolution and your Company is confident that a successful resolution will be found. However, should the negotiations chaired by URU Management fail, Umnex and SAN would proceed to arbitration as required under the terms of their joint venture agreement.

Uranium remains an important element in your Company's portfolio; exploration undertaken in the year under review continued our exploration work to discover and delineate a large-scale, economically recoverable uranium resource.

On the subject of management, 2012 saw a change of Chief Executive Officer at URU Metals, with Roger Lemaître stepping into the role previously held by Anton Esterhuizen in February.

Roger brings a wealth of experience into the position, including high-level engineering and geological knowledge that fits well with the Company's strategy of identifying and developing world-class mineral deposits. I take this opportunity to thank Anton, who remains involved as an advisor to the Board, for his efforts over a critical 18 months for URU Metals and, particularly, for his identification of our prospective South African nickel projects.

Despite the challenging market conditions, I believe that URU Metals is consistently adding value to the portfolio and that our share performance in the medium- and long-term will reflect the wisdom of our strategy to develop large-scale, low-cost in-demand metals projects.

Paul Loudon
Non-Executive Chairman
30 July 2012

I am confident that the progress and results achieved at the Zebediela Nickel Project during the past year will enable URU Metals and its shareholders to own a stake in a significant new nickel producing company with substantial upside potential.



Roger Lemaitre
Chief Executive Officer

The year under review and the subsequent months have seen much activity by your Company, with particular progress being made at the Zebediela Nickel Project, part of the Southern African Nickel joint venture. The due diligence on Zebediela was completed in April 2011 and the project was added to the SAN-URU Metals' portfolio of nickel assets. An independent NI 43-101 Preliminary Economic Assessment, completed 14 months after SAN gained an ownership interest in Zebediela, confirms our view that the project has significant near-term upside potential.

Board and Management are excited to be on track with URU Metals' objective to prove the viability of SAN's nickel projects as low-cost, bulk tonnage mines, and subject to market conditions, list the nickel projects as a separate public entity, thereby releasing shareholder value. Our continuing exploration efforts on our 100% owned uranium licenses in Niger is helping your Company to pursue the goal of commodity and jurisdictional diversification.

Operating Highlights

URU Metals has focused the bulk of its activities and resources on the development of SAN's nickel projects in South Africa. Drilling continued at the Company's uranium licences in Niger.

Southern African Nickel

Having signed the Southern African Nickel joint venture agreement in October 2010, URU Metals has completed its financial obligation to provide funding of up to US\$3.6 million over 20 months and has now fully vested its interest in the Zebediela and Burgersfort nickel projects. These funds have been used to facilitate exploration at both projects, and to prove the projects' highly prospective nickel mineralisation and commercial mine potential.

Initial drilling results announced in June confirmed the presence of potentially large tonnage near-surface disseminated nickel resources at Zebediela. Subsequent exploration has delineated areas of particular interest, including a continuous northwest-southeast trending nickel bearing intrusion at Zebediela that could extend for more than 3,000 metres with an average width of more than 1,000 metres.

Southern African Nickel Joint Venture

URU Metals and its joint venture partners are focusing on the Zebediela and Burgersfort nickel projects, which have potential to host large disseminated and economically recoverable sulphide nickel deposits.



Whilst the first drilling campaign was completed in early 2012, test work continued on bulk samples to design comminution and metallurgical flow sheets to optimise metallurgical recoveries. Following on from positive results received from the drilling and test work, the JV partners agreed to commit a further US\$685,000 (ZAR 5 million) in order to complete a Preliminary Economic Assessment (PEA) on Zebediela and to continue metallurgical testing at Burgersfort.

The MSA Group was commissioned to prepare the PEA, in conjunction with a range of mine development specialists, including TWP Engineering, Bateman Engineering, Mintek SA and SGS South Africa. The results of this PEA, released post balance sheet on 7 June 2012, are extremely encouraging.

The PEA indicates that Zebediela could be economically viable utilising conventional open pit mining techniques and proven milling technologies, and projects a pre-tax and pre-royalty net present value of US\$1,018 million at an 8% discount rate, an internal rate of return of 25.7 and a 3.8-year payback period. Indicated Resources of 485.4 million tonnes at a grade of 0.245% total Nickel; a further 1,115.1 million tonnes grading 0.248% total Nickel is classified as Inferred Resources. Using Indicated Resources only, the proposed open pit mine has a 25-year mine life producing more than 53.6 million pounds of recoverable nickel per year.

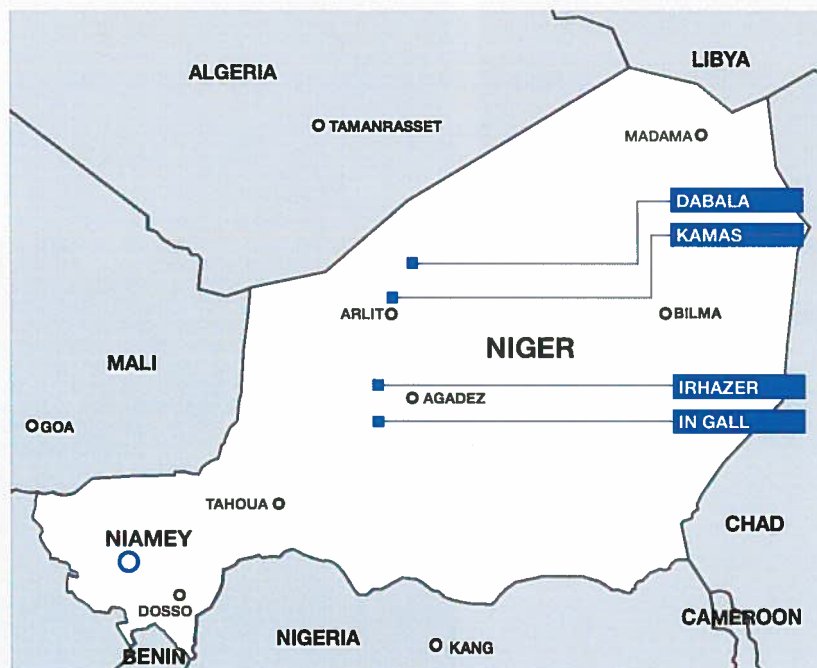
This is excellent news for URU Metals and indicates significant value accretion from our investment in the SAN JV. The intention is to list the joint venture as a separate entity, which could take place later in 2012 given the right market conditions. Shareholders should benefit from envisaged listing through an expected dividend of shares in the new company.

Uranium Licences, Niger

Drilling re-commenced on our 100% owned Nigerien In Gall and Irhazer uranium licences in April 2011. Significant progress has been made at these licences in recent years, as URU Metals works to delineate a commercial uranium resource. The programme entailed 7,000 metres of drilling (18 boreholes), focused on the Aboye, Akenzigui and Fagochia targets. The Company is evaluating results obtained across the Niger licence areas to date and will tailor any future exploration on the most highly prospective target areas.

Uranium Projects, Niger

URU Metals' licences in Niger cover a total area of 6,773 square kilometres – one of the largest exploration holdings in the Tim Merso Basin of Niger, an area of proven large-scale uranium mineralisation.





Strategic Investment

URU Metals acquired an initial 20.89% holding in the private South American uranium exploration company UrAmerica in April 2008. UrAmerica is active in Argentina, and has exploration permits covering in excess of 260,000 hectares in the San Jorge Basin (Chubut Province), a district with proven large-scale uranium reserves.

URU Metals was pleased to announce in November 2011 that UrAmerica had entered a strategic alliance with Cameco Global South America Inc., a division of the world's largest uranium mining company. Whilst the alliance dilutes our interest in UrAmerica to 7.36%, they now have the additional financial resources and a joint technical committee (JTC) is in place to manage future exploration at the company's uranium interests in the highly prospective San Jorge uranium district. After an encouraging start to UrAmerica's initial exploration program on their Chubut projects in November, we look forward to further progress in the year ahead.

Outlook

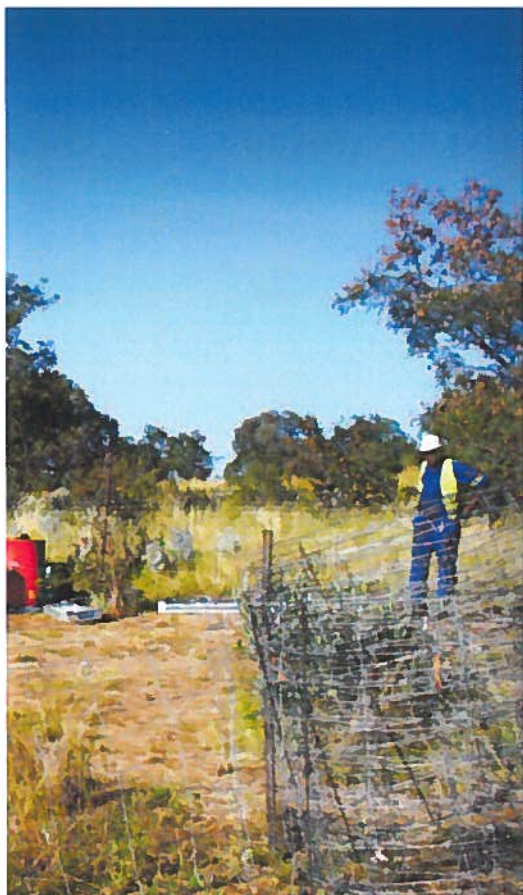
The Company is now entering a very exciting period of development. At Zebediela, we are optimistic that a low-cost, bulk tonnage open pit nickel mine can be constructed, a development that promises to transform the SAN JV from an exploration-focused venture into a nickel producer. At Burgersfort, further drilling may result in the identification of a second mineralised body. We are confident that URU's nickel assets can and will be publicly-listed in a manner which will release value to URU Metals' shareholders.

Our uranium licences in Niger have potential to realise value over the longer-term, whether as a URU Metals' vehicle or as a potential target for other mining companies actively developing uranium assets in Niger. UrAmerica, meanwhile, continues to encounter encouraging exploration results through its strategic partnership with Cameco. There is every reason to believe that our current assets will provide a solid pipeline for future growth.

Our recent success on our nickel projects will allow shareholders to realise value through the new public listing. URU is already actively searching for the next project opportunity to unlock shareholder value. On behalf of URU Metals, I look forward to another exciting year ahead.



Roger Lemaitre
Chief Executive Officer
30 July 2012





URU Metals continues to press ahead with its strategic programme of investing wisely to unlock value at its Niger and Southern African projects. Through efficient financial management, the Company is preserving its cash position.

Russel Swarts

Chief Financial Officer

I am pleased to report on behalf of the Board and Management of URU Metals Limited that the continuing development of our projects and developments is being undertaken in a balanced manner that utilises a portion of our available cash reserves to develop highly prospective nickel and other metal projects, without aggressively impacting on our cash position.

Investments

The year under review saw URU Metals prioritise substantial financial expenditure to the development of the Southern African Nickel JV's large-scale nickel projects. We have now satisfied our obligation to provide up to US\$3.6 million over a period of 20 months from October 2010 (as per the terms of the Joint Venture Agreement of 5 October 2010) and have now fully vested a 50% interest in the joint venture.

In addition, the Joint Venture partners agreed to commit a further US\$685,000 to the development of the Zebediela and Burgersfort nickel projects. Funds have been used to complete a Preliminary Economic Assessment for Zebediela (results reported post year-end) and to continue with metallurgical testing at Burgersfort.

URU's total expenditure in the SAN JV to date is approximately US\$4.2 million. Given the economic growth potential that has been identified at the SAN JV project sites, we are confident that our investment has potential for significant value accretion for URU shareholders.

In addition to the nickel funding total, URU assigned US\$1.017 million to exploration in the year under review (2011: US\$0.893 million), which includes exploration at our uranium licences in Niger.

No costs were incurred with respect to the Company's investment in UrAmerica Limited, in which URU holds a 7.36% interest. We impaired this investment in the year ended 31 March 2009 and still consider this impairment to be appropriate at the present time.

Share Performance

Considerable disruption has characterised global natural resources investment markets in recent times, with many mine development and operational mining stocks affected by a widespread downturn. Although URU Metals shares have not been immune to this trend, the share price performance has remained relatively stable, moving from 7p per ordinary share on 31 March 2011 to 7.5p on 31 March 2012 (a year peak of 15p was seen in May 2011). At the time of writing (July 2012), our share price is trading at 5p per ordinary share.

Cash Resources

At the end of the financial year, URU Metals had stated cash and cash equivalents of US\$4.035 million (2011: US\$7,964 million) and no borrowings (2011: nil).

Outlook

With our investment commitment to the SAN Joint Venture now fully vested and with low on-going exploration obligations in Southern Africa and Niger, URU Metals remains in a comparatively strong financial position. We are sufficiently capitalised to deliver on our near-term strategy objectives without undertaking another placing of shares.

URU Metals will continue to press ahead with its project development activities and will allocate further financial resources to these projects on the basis of anticipated future returns. The SAN Joint Venture has potential to release value to shareholders. A separate listing of SAN remains a near-term primary objective. At the same time, our intention is to conserve resources and, should good value opportunities be identified, to make further strategic investments in highly prospective metals projects.



Russel Swarts

Chief Financial Officer
30 July 2012

Despite the recent widespread softening of global commodity prices, the medium and longer-term supply/demand fundamentals extant in the nickel and uranium sectors are expected to underpin a recovery in demand and in price per unit costs.

Nickel

A high degree of volatility has characterised the global nickel market in recent months. Prices have fallen from the recent (March 2011) high of US\$28,000 per tonne to around US\$15,000 per tonne in July 2012, although prices were as high as US\$22,000 per tonne in February and remain significantly higher than 2008 trough levels of US\$8,000 per tonne. In the near-term, analysts expect the combination of oversupply and wider market anxieties to contribute to a weak nickel price forecast. The outlook for nickel as a key industrial metal is positive in the longer term, fuelled by rapid industrial development in China and India, in particular.

Contributors to the drop-off in nickel prices included the sovereign debt crisis in the Eurozone, the general decline in market sentiment to many natural resource commodities, and duties imposed on nickel in particular markets, Russia being a good example. There is evidence that nickel prices have stabilised at the US\$15,000 to US\$20,000 level. As the world's financial markets begin to recover, demand is expected to grow.

Although oversupply has become a cause for concern, a sustained nickel surplus is far from certain. Supply and demand forecasts point to a modest surplus of nickel in 2012 (approx. 20,000 metric tonnes), followed by a slightly larger surplus in 2013. However, in 2014, nickel demand is expected to exceed forecast supply, and this deficit is forecast to persist for several years despite the arrival of new nickel mines in Brazil, Australia, New Caledonia, and Madagascar into the market. Low-cost nickel deposits are diminishing and high-volume nickel projects are in the pipeline to replace them.

However, production may well fail to reach the levels that are widely forecast. A substantial proportion of current nickel production (estimated by research consultancy Brook Hunt at 10%) is cash negative when LME nickel prices fall below US\$18,000 per tonne. Production cutbacks can therefore be expected in the near-term, which will right the balance and enable sustainable healthy nickel pricing.



Many projects that are currently in planning and some already at the start-up phase are based on a high-pressure acid leaching method, which is very expensive. Others are located in challenging locations that are difficult to access. Whilst it is impossible to determine what the level of nickel production will be for the period in which the Zebediela Nickel Project could be expected to enter production, it is important to note that the combination of a secure geographical location and a proven, low-cost production method represent substantial project advantages.

Nickel consumption in the China market has shown considerable and sustained growth since the early 2000s, while consumption has remained largely static in the United States and Europe markets. To meet its nickel requirements, China imports a high percentage of its nickel through a low quality ferronickel product known as nickel pig iron (NPI). NPI is derived from laterite nickel mines primarily in Indonesia. NPI is used in the manufacturing of stainless steel.

Recent political developments in Indonesia threaten to limit or outright ban the export of metal through non-refined ores, including NPI, unless value-added refining is done within the country. If this ban becomes law, it is expected that the demand for primary nickel will increase substantially.

China also imports growing amounts of both high-quality nickel concentrate and nickel metal. In 2000, the China market accounted for 63,000 tonnes of nickel. That figure rose to 580,000 tonnes in 2010 and 702,000 tonnes in 2011. Rest of the world (ROW) demand, meanwhile, dropped slightly to 879,000 tonnes in 2011 from 891,000 tonnes in 2010.

Three factors are expected to affect the global price of nickel in the near-term. These are (1) the outcome of the Eurozone crisis, a successful outcome which should bolster investor confidence and result in production increases in most major steel-making areas; (2) the progress of new nickel projects, and (3) demand for stainless steel and other nickel-related ferrous products in China and India.

URU Metals believes that the nickel market will continue to fluctuate in the near-term and that sustainable price rises cannot currently be anticipated.

Nevertheless, the longer-term price of nickel should remain at or above the US\$20,000 per tonne level, due to stable or increasing demand, higher nickel production costs and potential delays involved in ramping up new production capacity.

Uranium

A year on from the devastating earthquake and tsunami in Japan, which caused such damage to the Fukushima nuclear power units, investor confidence in uranium exploration and production stocks has stabilized considerably and there are indications that future price rises for U_3O_8 can be expected.



While most of Japan's 54 reactors are currently offline and awaiting restart approvals, the first two reactor restarts since the Fukushima incident at Kansai Electric Power Company's Oi Facility in early July is a signal that the restart of additional Japanese idle reactors may be imminent, and that Japan's reliance on uranium for electricity will continue well into the future. Despite Germany's commitment to phase out its nuclear power capability by 2022, the majority of current nuclear power using countries are unlikely to pull back on their uranium consumption.

At the same time, the supply side of the equation has been revised downward due to production shortfalls at some existing mines, whilst several development projects have witnessed delays and postponements.

The net effect is that currently balanced supply-demand fundamentals are likely to remain in force for the next 12 to 18 months. Longer-term, URU Metals believes that new mine production will be required to meet demand for uranium, which is expected to grow at 2% to 3% per year going forward.

There is a trend towards continued expansion of demand for nuclear power, particularly in the emerging markets of China, Russia, India and the Middle East. China has resumed approval of new reactor construction projects, having paused to assess and confirm the safety of its existing and planned units.

Russia's nuclear program continues to benefit from a strong national energy policy that promotes nuclear energy both domestically and abroad. India's nuclear growth is a cornerstone of the policy to lift the standard of living of its massive population. The Middle East has seen a distinct growth in the number of nuclear production sites under planning.

According to the World Nuclear Association, the need for governments to decarbonize their energy requirements and meet growing demands for clean energy is expected to result in a greater dependence on nuclear fuels going forward. As of July 2012, there were 433 operating reactors, with another 63 under construction, 160 planned and a further 329 proposed. The forecasted 2012 demand for uranium stands at 67,990 tonnes.

Significantly, production levels are consistently lower than demand levels, although production has increased from 35,186 tonnes in 2000 to 53,663 tonnes in 2010 (World Nuclear Association figures). Stockpiles have long been relied upon to bridge the shortfall.

The expected cancellation in 2013 of the Russian Highly Enriched Uranium deal signed as part of the UN's Megatons to Megawatts program is expected to remove the equivalent of 11,000 tonnes of U_3O_8 from supply, or 16% of global supply, which is expected to have a significant impact on uranium prices in the medium-term.

With demand expected to increase in the future, new sources of supply are needed. URU Metals believes that demand for new large-scale uranium mines will intensify in the years ahead, and that the outlook for medium- and longer-term uranium outlook is extremely bullish.



Principal Risks and Uncertainties

URU Metals is exposed to a number of risks and uncertainties, which could have a material financial, operational and reputational impact on its long-term performance and on the Company's ability to develop its project portfolio. These risks are summarised below.

Strategic Risks

Risk

Mineral Reserve and Mineral Resource estimates

Mineral Reserves and Mineral Resources estimates are based on several assumptions, including geological, mining, metallurgical and other factors. There can be no assurance that the anticipated tonnages or grades will be achieved. This is particularly the case at exploration-stage projects.

Mitigation Measure/ Comment

Mineral Reserves and Mineral Resources are updated regularly and are prepared to internationally recognised code compliant standards.

Potential Impact

High

Financial Risks

Risk

Commodity Prices

URU Metals' financial performance is dependent upon the price of uranium and nickel. Adverse movement in commodity prices could have a material impact on operations.

Mitigation Measure/ Comment

The Board monitors commodity prices and potential impacts on cash flow and project development. Capital expenditure plans are aligned to prevailing and anticipated market conditions.

Potential Impact

High

Risk

Costs and capital expenditure

The Company is exposed to on-going expenditure obligations resulting from its project development activities in South Africa and Niger.

Mitigation Measure/ Comment

Management conducts cash flow analyses and reduces capital expenditure requirements wherever possible.

Potential Impact

High

Risk

Liquidity

URU Metals needs to finance its on-going development and growth, which exposes the Company to liquidity risk. If the Company is not able to obtain sufficient financial resources, it may not be able to raise sufficient funds to develop projects, acquire additional assets or meet its on-going financial needs.

Mitigation Measure/ Comment

Management monitors liquidity and exploration expenditure. The Board strives to ensure liquidity through timely corporate actions, if and when required.

Potential Impact

High

Operational Risks

Risk	Mitigation Measure/ Comment	Potential Impact
Project Execution The inability to develop near- and longer-term capital projects will impact on URU Metals' strategic objectives and affect its ability to meet growth and production objectives.	The Company reviews its project portfolio on a regular basis and utilises relevant data, such as code compliant Mineral Reserve and Mineral Resource estimates, to guide development priorities. A balanced portfolio reduces risks associated with a specific project or commodity.	High

Personnel Risks

Risk	Mitigation Measure/Comment	Potential Impact
Management Loss of key management personnel can impact on the Company's strategic and operational functionality.	The Company seeks to provide competitive salary arrangements to attract and retain the services of these personnel members.	High
Skills Availability Skills shortages have been a feature of exploration across the board. The inability to attract suitably skilled individuals in the vicinity of URU Metals' operations can impact on the quality and efficiency of the work performed.	Management has implemented retention strategies, including competitive wage arrangements, as and when required.	High
Health and Safety The mining and resource processing sectors are inherently hazardous. Failure to adopt high levels of safety management can result in a number of negative outcomes, including bodily harm to employees and contractors, and damage to the Company's reputation.	URU Metals takes the health and safety of all those who work for and with the Company very seriously. Health and safety policies are adopted at all project sites, and are monitored, reviewed and improved on a regular basis.	High

Personnel Risks (Continued)

Risk	Mitigation Measure/Comment	Potential Impact
Environmental Unforeseen environmental degradation resulting from the Company's operational activities may result in liability and/or the requirement to undertake extensive remedial clean up actions.	All operational models take environmental responsibilities into account. Third parties are contracted to identify environmental risks and mitigation measures.	High

External Risks

Risk Political, Legal and Regulatory Development URU Metals may be affected by political or regulatory developments in the countries and jurisdictions in which it operates, including changes to fiscal and other regulatory measures.	Mitigation Measure/Comment The Company focuses on project development in stable, mining friendly countries, and liaises with governmental departments on various aspects of its operations on a regular basis. URU Metals monitors the political landscape to keep abreast of likely changes in regulatory policies, both national and international.	Potential Impact High
Risk Community Relations Disputes may arise with local communities, causing disruption to projects or operations.	Mitigation Measure/Comment URU Metals is committed to the establishment of close working relationships with communities in the areas in which it operates.	Potential Impact High



The URU Metals Limited management comprises internationally experienced mining experts with extensive exploration and mine development expertise.

Paul Loudon

Non-Executive Chairman

Mr. Loudon has more than 20 years' experience in stock-broking, corporate finance and the management of junior mining and exploration companies. He has been President of Battlefields Minerals Corporation of Toronto and Non-executive Chairman of BDI Mining Corp. He has also been Head of Equities at Loeb Aron & Company Ltd, a London-based corporate finance house specialising in the mining sector, where he was responsible for raising considerable sums of equity capital for resource companies listed in the United Kingdom, Canada and Australia. Mr. Loudon is currently Managing Director and Chief Executive Officer of DiamondCorp Plc, an AIM-listed emerging diamond producer with operations in South Africa and Botswana.

John P. Lynch

Non-Executive Director

Mr. Lynch is an experienced businessman with extensive expertise in corporate management and administration as well as experience in corporate governance. He has been a director of both private and publicly traded organisations, and has worked with several public companies in the resource sector in recent years. Currently President of Universal Packaging Systems Inc., a private company in Toronto, he is a former defensive back with the Canadian Football League's Ottawa Rough Riders.

David Subotic

Non-Executive Director

Mr. Subotic is a former Vice President of Haywood Securities, an international investment firm specialising in the resource sector, where he helped raise more than \$2 billion in financing for commodities and oil and gas companies. Previously, Mr. Subotic was Vice President of Canada's Yorkton Securities, a national full-service firm that provides services to institutional investors, issuing companies and retail clients. Most recently, Mr. Subotic was the founder and CEO of Asian Coast Development Ltd., an international resort developer planning the \$4.2 billion Ho Tram Strip integrated resort destination in Southern Viet Nam. Mr. Subotic is currently the CEO and CIO of DAS Capital, a Singapore- and Toronto-based hedge fund, and President, CEO and Director of NWT Uranium Corp.

Roger Lemaitre

Chief Executive Officer (non-board appointment)

Roger Lemaitre P.Eng., P. Geo., MBA, M.Sc. (Applied), B.Sc. (Applied) is a Professional Engineer and Geologist with more than 20 years of professional experience, predominantly with major mining companies. For the past 11 years, he has held a variety of senior management positions with Cameco Corporation, one of the world's largest uranium producers, and was most recently Cameco's Director of Worldwide Exploration.

In this position, Roger had responsibility for overseeing Cameco's international exploration programs and budgets on 95 different projects coordinated from three offices located on three continents, the negotiation of earn-in and farm-out joint ventures and strategic alliances, and generating and implementing exploration strategies worldwide. Prior to joining Cameco, Roger was a project and field geologist for senior mining companies and junior explorers searching for copper, zinc and gold. Roger has a Master of Business Administration from Athabasca University, a Master of Applied Science in Geology from McGill University and a Bachelor of Applied Science in Geological Engineering from Queen's University.

Russel Swarts

Chief Financial Officer

Mr. Swarts is a South African Chartered Accountant with extensive experience in the mining and natural resources capital markets sectors. Mr. Swarts has served as URU Metals' Senior Finance Officer since 2008.

Prior to joining URU Metals, Russel was Finance Director of a number of listed and unlisted organisations in the mining and related industries.



The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements of URU Metals Limited, comprising the consolidated statement of financial position at 31 March 2012, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the consolidated annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the consolidated annual financial statements

The consolidated annual financial statements of URU Metals Limited, as identified in the first paragraph, were approved by the board of directors on 30 July 2012 and are signed on their behalf by:

Paul Loudon
Chairman
30 July 2012

John Lynch
Director
30 July 2012

To the Members of URU Metals Limited

Report on the Consolidated Financial Statements

We have audited the consolidated annual financial statements of URU Metals Limited, which comprise the consolidated statement of financial position at 31 March 2012, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 30 to 61.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of URU Metals Limited at 31 March 2012, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG Inc.



Per Nick van Niekerk
Chartered Accountant (SA)
Registered Auditor
Director
30 July 2012

85 Empire Road
Parktown
2193
South Africa

The directors are pleased to present their fifth report, which supplements the consolidated annual financial statements for the year ended 31 March 2012.

The Company was incorporated in the British Virgin Islands on 21 May 2007 in terms of the BVI Business Companies Act.

The Company's shares were admitted to trading on AIM, a market operated by the London Stock Exchange on 12 September 2007.

Nature of Business

URU Metals Limited and its subsidiaries (together referred to as "the Group"), is a metals exploration and development Group with a current focus on the development of large-scale metals projects in the Republic of Niger, Southern Africa and South America. The Group will consider either non-controlling positions or the outright purchase of uranium and other metals projects held by quoted or unquoted companies worldwide.

During the year under review, the Group continued to conduct exploration activities in the Republic of Niger and to fund the further development of the portfolio of nickel assets in the Nickel Joint Venture. The Group continues to hold an interest in UrAmerica Limited, the Argentinean based uranium project developer.

Operating and Financial Review

As the Group is primarily involved in exploration and project development, no income is generated (2011: Nil).

Operating results

	Group 31 March 2012	Group 31 March 2011
(Loss)/profit for the year (US\$'000)	(2 391)	25 550
Basic (loss)/earnings per share (US cents)	(2.11)	22.6

Investments

UrAmerica Limited

At the financial year end the Group held a 7.36 per cent. interest in UrAmerica Limited (2011: 9.2 per cent.) which it acquired in April 2008 at a cost of US\$ 4. 299 million. UrAmerica Limited is an Argentinean based uranium project developer, with activities in Argentina, Colombia and Paraguay. In the year ended 31 March 2009, the Group impaired its investment in UrAmerica by US\$4.299 million, and this is still considered appropriate at 31 March 2012.

On 3 November 2011 the Company announced an update that UrAmerica has entered into a strategic alliance agreement with Cameco Global South America Inc. ("Cameco"), which has subscribed US\$10 million for a 19.9 per cent. interest in UrAmerica. Following completion of the Cameco subscription, the Company's interest in UrAmerica has been diluted to approximately 7.36 per cent. Based on the Cameco subscription, UrAmerica's issued ordinary share capital is valued at approximately US\$50 million and URU's diluted interest in UrAmerica at approximately US\$3.7 million.

A joint technical committee ("JTC"), comprised of two members from Cameco and two members from UrAmerica, has been created to manage and approve the use of proceeds from Cameco's subscription for UrAmerica's exploration program. The JTC has approved an initial 12-month drilling program of 30,000 meters, focused on 7 drill targets, close to the National Commission of Atomic Energy's "Cerro Solo Deposit".

The Cameco subscription also gives Cameco the exclusive right to acquire 70 per cent. of each deposit discovered by UrAmerica, within all of the mining rights currently operated by UrAmerica in the San Jorge Basin, Chubut Province, Argentina for a payment per pound of uranium oxide, identified as a mineral resource or mineral reserve. This payment will be based on the variable spot price. UrAmerica will retain the remaining 30 per cent. of the deposits.

Directors' Report

(Continued)

Nickel Joint Venture

On 5 October 2010, the Group announced that it had entered into a joint venture (the "Nickel Joint Venture") with Southern African Nickel, the joint owner and current developer of a portfolio of large nickel projects in Southern Africa. Under the agreement, the Group was committed to provide funding to the Joint Venture of up to US\$3.6 million, in aggregate, over a period of 20 months from October 2010.

In the year under review, URU Metals has satisfied all its obligations under the Joint Venture Agreement and has now fully vested a 50% interest in the Nickel Joint Venture. As announced on 6 April 2011, the Joint Venture is seeking to continue the development of the Zebediela Nickel Project, Umnex Mineral Holdings (Pty) Ltd. ("Umnex"), the vendor of the Zebediela Nickel Project, will receive a direct interest in the Joint Venture from both Southern African Nickel and URU Metals, in equal proportions. Thereafter the effective interest of each party in the Joint Venture will be: URU Metals 45 per cent., Southern African Nickel 40 per cent. and Umnex 15 per cent.

As a consequence of the positive results from the drilling programme and the progress made in the metallurgical testing phases, the Joint Venture partners have committed a further US\$685,000 in order to complete a Preliminary Economic Assessment study ("PEA") on the Zebediela Nickel Project and to continue with metallurgical testing of the Burgersfort Nickel Project mineralization.

The results of the PEA were announced after the year end and are shown under "Events after the Reporting Date".

Funding

The Group continued to fund its activities from its own cash resources.

Financial Position	Group 31 March 2012	Group 31 March 2011
Total assets (US\$'000)	12 606	14 754
Total shareholders' funds (US\$'000)	12 284	14 560
Net asset value per share (US cents)	10.8	12.9

The financial position and the results of operations are fully dealt with in the financial statements on pages 30 to 61.

Going concern

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

Having reviewed its financial requirements over the next eighteen months to two years, and on the basis that the Group continues with its current strategies, the Board and management considers that the Group meets its requirements under the "going concern" parameters. Should the Group wish to pursue other projects or strategies it would be required to raise capital through the various means available.

Financial Objectives

The Group's financial objectives are to achieve:

- Active project development;
- Strategic investment and value release to shareholders;
- Corporate governance and sound financial management.

Segmental Analysis

Information on segment reporting is set out in note 6 to the consolidated annual financial statements.

Directors' Report

(Continued)

Changes to the Board and Senior Management

Death of Mr Gordon Cassidy, Finance Director

On 15 September 2011 URU Metals announced the death of Mr Gordon Cassidy on 14 September 2011. Since joining the Board of URU Metals in 2008, Gordon made a substantial contribution to the development of the Group and will be missed by the URU Metals team.

Appointment of Mr Roger Lemaître as CEO

On 20 February 2012 the Group announced the appointment of Mr. Roger Lemaître as Chief Executive Officer with immediate effect. Roger Lemaître, P.Eng., P. Geo., MBA, M.Sc. (Applied), B.Sc. (Applied) is a Professional Engineer and Geologist with more than 20 years of professional experience, predominantly with major mining companies. For the past 11 years, he has held a variety of senior management positions with Cameco Corporation, one of the world's largest uranium producers, and was most recently Cameco's Director of Worldwide Exploration. In this position, Roger had responsibility for overseeing Cameco's international exploration programs and budgets on 95 different projects coordinated from three offices located on three continents, the negotiation of earn-in and farm-out joint ventures and strategic alliances and generating and implementing exploration strategies worldwide.

Prior to joining Cameco, Roger was a project and field geologist for senior mining companies and junior explorers of copper, zinc and gold. Roger has a Master of Business Administration from Athabasca University, a Master of Applied Science in Geology from McGill University and a Bachelor of Applied Science in Geological Engineering from Queen's University.

The current Chief Executive Officer, Anton Esterhuizen, will continue to act as joint Chief Executive for an interim period while there is an orderly transfer of executive responsibilities by him to Roger Lemaître. Mr Esterhuizen will remain as an advisor to the board of URU Metals while concentrating on his other mining and exploration ventures.

Events after the reporting date

(i) Zebediela Nickel Project Preliminary Economic Assessment ("PEA")

On 7 June 2012 the Group announced a positive NI 43-101-compliant PEA of the Zebediela Nickel Project in the Southern African Nickel Joint Venture. The PEA of the Zebediela Nickel Project projects a pre-tax and pre-royalty net present value of \$1,018 million at an 8% discount rate, an internal rate of return of 25.7% and a 3.8 year payback period. Indicated Resources are 485.4 million tonnes at a grade of 0.245% total Nickel at a cut off of 1,000 ppm with additional inferred resources of 1,115.1 million tonnes at a grade of 0.248% total Nickel at a cut off of 1,000 ppm. Using Indicated Resources only, a proposed open-pit mine is envisioned with a 25 year mine life producing 53,600,000 lbs of recoverable nickel per annum.

The project is projected to be a lowest-quartile cost nickel producer. Substantial opportunities are available to the Zebediela Nickel Project to increase the project value through resource accretion and the addition of a magnetite concentrate revenue stream.

(ii) Changes to the Board of Directors

On 12 July 2012, URU Metals announced that Mr. David Subotic has been appointed to the Board as a Non-Executive Director with immediate effect. Mr. Subotic was nominated to join the Board by NWT Uranium Corporation ("NWT"), the Company's largest shareholder, pursuant to the terms of the relationship agreement between the Company and NWT dated 20 April 2010 (the "Relationship Agreement"). Mr. Subotic is the interim President and Chief Executive Officer of NWT.

Mr. Subotic is a former vice president of Haywood Securities, an international investment firm specialising in the resource sector, where he helped raise more than \$2 billion in financing for commodities and oil and gas companies. Previously, Mr. Subotic was a vice president of Canada's Yorkton Securities, a national full-service firm that provides services to institutional investors, issuing companies and retail clients. More recently Mr. Subotic was the founder and chief executive officer of Asian Coast Development Ltd., an international resort developer planning the \$4.2 billion Ho Tram Strip integrated resort destination in Southern Viet Nam. Mr. Subotic is currently the CEO and CIO of DAS Capital, a Singapore- and Toronto-based hedge fund and a director of NWT.

Mr. Subotic holds 3,250,000 ordinary shares in URU, which represents 2.8% of the issued share capital of the Company. Mr Subotic holds 4,360,000 ordinary shares in NWT, which represents 3.27% of the issued share capital of NWT.

Following his resignation from his position as president and chief executive officer of NWT on 23 April 2012, John Lynch will remain on the Board of URU, but as a Non-Executive Director rather than an appointed board representative of NWT. It should be noted that Mr. Lynch no longer has any relationship with NWT and is therefore not considered by the Company to be a representative of NWT pursuant to the Relationship Agreement.

Directors' Report

(Continued)

(iii) Zebediela Nickel Project

URU has become aware through its discussion with its partners on the Zebediela Nickel Project, Southern African Nickel (SAN) and Umnex Mineral Holdings ("Umnex"), that a dispute has arisen between SAN and Umnex that has the potential to force these two parties to enter arbitration. Both parties are alleging that the other party has failed in its obligations under their agreement. Primarily, Umnex has alleged that SAN has failed in its obligation to achieve a public listing for the joint venture project by July 6, 2012, and thus Umnex can leave the joint venture with ownership of the mineral rights in exchange for payment of historical exploration costs, whereas SAN alleges that Umnex has not facilitated the required transfer of the mineral license 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 through an agreement with SAN exclusively, and URU has fulfilled all of its obligations under that separate agreement. URU has been in active discussions between Umnex and SAN to facilitate a resolution to the dispute. However, should negotiations fail, Umnex and SAN will be proceeding to arbitration under their joint venture agreement.

Share capital

Authorised

The Company is authorised to issue up to 300 000 000 ordinary shares of US\$ 0.01 par value. (2011: 300 000 000 ordinary shares of US\$ 0.01 par value).

	Group 31 March 2012	Group 31 March 2011
Balance at beginning of year	113 210 056	113 210 056
Issue of shares – share options exercised	66 666	-
Balance at end of year	113 276 722	113 210 056

During the year under review the movements in the share capital and share premium accounts were as follows:

	Share Capital US\$'000	Group 31 March 2012 Share Premium US\$'000	Share Capital US\$'000	Group 31 March 2011 Share Premium US\$'000
Balance at beginning of year	1 132	45 720	1 132	45 720
Issue of shares – share options exercised	1	4	-	-
Balance at end of year	1 133	45 724	1 132	45 720

Directors' Remuneration

The directors' remuneration for the year ended 31 March 2012 is detailed below:

	Fees for services US\$'000	Basic salary US\$'000	Expense allowance US\$'000	Total US\$'000
Executive directors				
G. Cassidy	9	127	14	150
Non- executive directors				
J. Lynch	19	-	-	19
P. Loudon	19	-	-	19
Total for the year ended 31 March 2012	47	127	14	188
Total for the year ended 31 March 2011	57	179	41	277

Details of share options granted are set out in note 14 to the financial statements.

Directors' Report

(Continued)

Interest of Directors and Senior Key Personnel in share capital

The interests, direct and indirect of the directors and senior key personnel in office are as follows:

	Group 31 March 2012		Group 31 March 2011	
	Beneficial	Ordinary Shares Non-beneficial	Beneficial	Ordinary Shares Non-beneficial
Executive directors	-	-	929 561	-
Non-executive directors	350 000	-	50 000	-
Senior key personnel	36 306	-	469 752	-
	386 306	-	1 449 313	-

Shareholders' Spread

An analysis of holdings extracted from the register of ordinary shareholders is listed below:

	Group 31 March 2012		Group 31 March 2011	
	Number of Shares	% of Share Capital	Number of Shares	% of Share Capital
Institutions				
United Kingdom	27 414 644	24.20%	36 206 346	31.98%
Europe (excluding UK)	3 399 239	3.00%	3 699 704	3.27%
North America	3 012 466	2.66%	441 305	0.39%
Rest of the World	-	-	50 000	0.04%
Subtotal - Institutions	33 826 349	29.86%	40 397 355	35.68%
Corporate & Non Profit Organisations	50 588 673	44.66%	38 699 126	34.18%
Private Investors	9 108 015	8.04%	17 104 559	15.11%
Brokers	12 680 502	11.19%	12 082 234	10.67%
Custodians & Nominees	6 590 473	5.82%	4 037 744	3.57%
Undisclosed	-	-	38 026	0.03%
Total Analysed	112 794 012	99.57%	112 359 044	99.24%
Balance of Register not analysed (< 10,000)	482 710	0.43%	851 012	0.76%
Total Issued Capital	113 276 722	100.00%	113 210 056	100.00%

Directors' Report

(Continued)

Major Shareholders

According to the share registers, the following are the only shareholders beneficially holding, directly or indirectly, in excess of 3% of the share capital:

Top Investors	City	Number of Shares	31 March 2012	Number of Shares	31 March 2011
			% of Share Capital		% of Share Capital
Niketo Co Limited	Nicosia	49 773 339	43.94%	33 474 018	29.57%
Hargreave Hale Ltd.	Blackpool	11 372 345	10.04%	13 222 345	11.68%
Penson Financial Services Inc	Montreal/Dallas	7 430 925	6.56%	-	-
Goldman Sachs (Broker Group)	London/New York	-	-	6 645 109	5.87%
Northwestern Mineral Ventures Inc	Toronto	-	-	4 534 321	4.01%
TD Waterhouse (Europe) Ltd	London	4 391 538	3.88%	-	-
Killik Asset Management	London	-	-	3 650 820	3.22%
Barclays Private Bank (UK)	London	-	-	3 607 994	3.19%
		72 968 147	64.42%	65 134 607	57.54%

Directors and Secretary

The following were directors of the Company during the year:

P. Loudon	Non-executive chairman – appointed 7 May 2010
J.P. Lynch	Non-executive director – appointed 7 May 2010
G. Cassidy	Finance director – appointed 25 February 2008, deceased 14 September 2011

The secretary of the Company, Mr Russel Swarts, was appointed on 15 September 2011, following the passing of Mr Cassidy.

Registered office:

Walkers Chambers
PO Box 92
Road Town, Tortola
British Virgin Islands
VG1110

Postal Address:

31 Impala Road
Chiselhurst
Sandton 2196
South Africa

By order of the Board:



RE Swarts CA(SA)
Company Secretary

Consolidated Statement of Financial Position

Assets	Note	As at 31 March 2012 US\$'000	As at 31 March 2011 US\$'000
Non-current assets			
Plant and equipment	7	69	136
Intangible assets	8	4 705	4 705
Investment in jointly controlled asset	9	3 703	1 775
		8 477	6 616
Current assets			
Receivables	10	94	174
Cash and cash equivalents	11	4 035	7 964
		4 129	8 138
Total assets		12 606	14 754
Equity and liabilities			
Equity			
Share capital and premium	12	46 857	46 852
Reserves	13	3 612	3 502
Accumulated deficit		(38 185)	(35 794)
		12 284	14 560
Current liabilities			
Trade and other payables	17	322	194
Total equity and liabilities		12 606	14 754

The notes on pages 34 to 61 are an integral part of these consolidated financial statements.

	Note	Year ended 31 March 2012 US\$'000	Year ended 31 March 2011 US\$'000
Research expenses		(498)	(335)
Fair value reserve realised on disposal of available-for-sale investment		-	26 063
Administrative expenses		(1 893)	(1 256)
Other income		-	1 077
Operating (loss)/profit	18	(2 391)	25 549
Net finance income		-	1
Finance income	19	-	1
(Loss)/profit before income tax		(2 391)	25 550
Income tax expense	20	-	-
(Loss)/profit for the year		(2 391)	25 550
Other comprehensive income			
Foreign currency translation differences of foreign operations		(1)	(1)
Transfer to profit on realisation of fair value of available-for-sale investment		-	(26 063)
Other comprehensive income for the year, net of income tax		(1)	(26 064)
Total comprehensive income for the year		(2 392)	(514)
Total comprehensive income attributable to:			
Owners of the Company		(2 392)	(514)
Basic (loss)/earnings per share	21	(2.11)	22.6
Diluted (loss)/earnings per share	21	(2.11)	22.6

The notes on pages 34 to 61 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

	Capital US\$'000	Premium US\$'000	Foreign Currency Translation Reserve US\$'000	Share Option Reserve US\$'000	Fair Value Reserve US\$'000	Accumulated Deficit US\$'000	Total US\$'000
Balance at 1 April 2010	1 132	45 720	(123)	5 126	26 063	(34 063)	43 855
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	25 550	25 550
Other comprehensive income							
Foreign currency translation differences	-	-	(1)	-	-	-	(1)
Realisation of fair value in available-for-sale assets reserve, net of tax	-	-	-	-	(26 063)	-	(26 063)
Total comprehensive income for the year	-	-	(1)	-	(26 063)	25 550	(514)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividends to equity holders	-	-	-	-	-	(27 281)	(27 281)
Share-based payment transactions	-	-	-	(1 500)	-	-	(1 500)
Total contributions by and distributions to owners	-	-	-	(1 500)	-	(27 281)	(28 781)
Balance at 31 March 2011	1 132	45 720	(124)	3 626	-	(35 794)	14 560
Balance at 1 April 2011	1 132	45 720	(124)	3 626	-	(35 794)	14 560
Comprehensive income for the year							
Loss for the year	-	-	-	-	-	(2 391)	(2 391)
Other comprehensive income							
Foreign currency translation differences	-	-	(1)	-	-	-	(1)
Total comprehensive income for the year	-	-	(1)	-	-	(2 391)	(2 392)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Issue of ordinary shares	1	4	-	-	-	-	5
Share-based payment transactions	-	-	-	111	-	-	111
Total contributions by and distributions to owners	1	4	-	111	-	-	116
Balance at 31 March 2012	1 133	45 724	(125)	3 737	-	(38 185)	12 284

The notes on pages 34 to 61 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

	Note	Year ended 31 March 2012 US\$'000	Year ended 31 March 2011 US\$'000
Cash flows from operating activities			
Cash utilised by operating activities	23	(1 980)	(1 869)
Finance income	19	-	1
Net cash from operating activities		(1 980)	(1 868)
Cash flows from investing activities			
Acquisition of plant and equipment	7	(5)	(14)
Investment in jointly controlled asset	9	(1 928)	(1 775)
Proceeds from sale of investment		-	8 801
Proceeds from sale of plant and equipment		-	18
Net cash (used)/generated by investing activities		(1 933)	7 030
Cash flows from financing activities			
Proceeds from issue of share capital	12	5	-
Net cash from financing activities		5	-
Net (decrease)/increase in cash and cash equivalents		(3 908)	5 162
Cash and cash equivalents at beginning of year		7 964	2 522
Effect of exchange rate fluctuations on cash held		(21)	280
Cash and cash equivalents at 31 March	11	4 035	7 964

The notes on pages 34 to 61 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

(Continued)

1. Reporting Entity

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 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 Walkers Chambers, P.O. Box 92, Road Town, Tortola, British Virgin Islands. The consolidated annual financial statements of the Company as at and for the year ended 31 March 2012 comprise the Company and its subsidiaries (together referred to as the "Group").

The Group is primarily involved in seeking out mining opportunities around the world as an active investor and project developer.

2. Basis of preparation

a) Statement of compliance

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

b) Basis of measurement

The consolidated annual financial statements have been prepared on a historical cost basis except for available-for-sale financial assets which were measured at fair value.

c) Functional and presentation currency

Items included in the consolidated annual financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). These consolidated annual financial statements are presented in United States Dollars, which is the Company's functional currency. All financial information presented in United States Dollars has been rounded to the nearest thousand.

d) Use of estimates and judgements

The preparation of the consolidated annual financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The Group makes estimations and assumptions concerning the future. The resulting accounting estimates will by definition, rarely equal the related actual results.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant risk and effect on the carrying amounts recognised in the consolidated annual financial statements within the next financial year, are included in the following notes:

- Note 8 - intangible assets
- Note 14 - measurement of share options

e) Change in accounting policies

Overview

The Group has adopted the accounting policies detailed below which became effective as indicated:

- IAS 24 Related Party Disclosures

Related Party Disclosures

From 1 April 2011 the Group has applied IAS 24 (revised) for the first time for its financial reporting period ended 31 March 2012. The new accounting standard has been applied retrospectively.

IAS 24 (revised) addresses the disclosure requirements in respect of related parties, with the changes relating to the definition of a related party.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements except as explained in note 2 (e), which addresses changes in accounting policies.

a) Basis of consolidation**Subsidiaries**

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss.

Jointly controlled asset

A jointly controlled asset is a joint venture carried on by each venturer using its own assets in pursuit of the joint venture. The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint venture and the expenses that the Group incurs and its share of the income that it earns from the joint venture.

Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency transactions**(i) Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, which are recognised directly in other comprehensive income.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences arising from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes are recognised in equity.

(ii) Foreign operations

The assets, equity and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to United States Dollars at exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to United States Dollars at exchange rates at the average exchange rates, unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction rates, in which case income and expenses are translated at the rate on the dates of the transactions.

Notes to the Consolidated Financial Statement

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Foreign currency differences are recognised directly in other comprehensive income and such differences have been recognised in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in other comprehensive income in the FCTR.

(c) Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of plant and equipment was determined by reference to the cost at the date of acquisition.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and are recognised net within profit or loss.

Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of the asset, or other amount substituted for cost, less its residual value. As the useful lives and depreciation methods are the same for significant parts of assets, these are not depreciated on a component basis.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

• exploration plant and equipment	3 years
• motor vehicles	3 years
• computer equipment	5 years
• furniture and office equipment	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(d) Exploration costs

Exploration costs incurred prior to determination of the feasibility of mining operations are expensed as incurred. Once technical feasibility and commercial viability have been established, all evaluation expenditure is capitalised and amortised over the estimated life of the commercial ore reserves on a unit of production basis. Mineral property acquisition costs, and exploration and development expenditures incurred subsequent to the determination of the feasibility of mining operations and approval of development by the Company, are capitalised until the property to which they relate is placed into production, sold, allowed to lapse or abandoned.

Mineral property acquisition costs include the cash consideration and the fair market value of shares to be issued in future mineral reserves interests, pursuant to the terms of the relevant agreements. In accordance with the full cost method, all costs associated with the exploration and evaluation of mineral resources are expensed as incurred and only capitalised on a project-by-project basis subsequent to the determination of the feasibility of the project. These costs will be amortised over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned, or when an impairment of value has been determined to have occurred.

(e) Intangible assets

Intangible assets that are acquired by the Group are measured at cost less accumulated amortisation and impairment losses.

Intangible assets are reviewed for impairment as disclosed in note 3(g)(ii).

Subsequent costs

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of an asset less its residual value.

Amortisation is recognised in profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date of purchase.

The Group's intangible assets are considered to have indefinite lives in the current and comparative years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) Financial instruments**(i) Non-derivative financial assets**

The Group initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability. Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The Group has the following non-derivative financial assets: receivables.

Non-derivative financial assets are recognised initially at fair value plus any directly attributable costs. Subsequent to initial recognition non derivative financial assets are measured as described below.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the other categories. The Group's investments in equity securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3(g)(i)) and foreign currency differences on available-for sale equity instruments (see note 3(b)(i)), are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is reclassified to profit or loss.

For available-for-sale financial assets that are not monetary items, the gain or loss that is recognised in other comprehensive income includes any foreign exchange related component. The fair values of quoted investments are based on current bid prices. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Receivables comprise cash and cash equivalents, deposits, and other receivables. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Notes to the Consolidated Financial Statements

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(ii) Non-derivative financial liabilities

The Group initially recognises financial liabilities on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group has the following non-derivative financial liabilities: trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

(iii) Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(g) Impairment of assets

(i) Financial assets

Non-derivative financial assets are recognised initially at fair value plus any directly attributable costs. Subsequent to initial recognition non derivative financial assets are measured as described below.

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. The Group considers evidence of impairment for financial assets measured at amortised cost at both a specific assets and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of the loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the assets original effective interest rate. Losses are recognised in profit and loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairments loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity, to profit or loss. The cumulative loss that is reclassified from equity to profit and loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit and loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Leased assets and lease payments

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Other leases are considered to be operating leases and the leased assets are not recognised in the Group's Statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(i) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(j) Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit and loss, using the effective interest method.

(k) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings or loss per share is similar to basic earnings or loss per share, except that the denominator is adjusted to include the dilutive potential ordinary shares that would have been outstanding assuming that options and warrants with an average market price for the year greater than their exercise price are exercised and the proceeds used to repurchase ordinary shares.

(l) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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(m) Employee benefits

Pension obligations and other post-employment benefits

The Group does not offer any pension and/or post-employment benefits to employees.

Short-term employee benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus of profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based compensation

The Group operates an equity-settled, share-based compensation plan, The Share Option Plan 2008. The grant date fair value of the employee services received in exchange for the grant of the options is recognised as an expense with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(n) Standards, amendments and interpretations, which are not yet effective for reporting periods beginning after the date of these financial statements which have not been adopted early.

There are new or revised Accounting Standards and Interpretations in issue that are not yet effective. These include the following Standards and Interpretations that are applicable to the business of the entity and may have an impact on future financial statements:

	Standard or Interpretation	Date issued
IFRS 7 amendment	Disclosures – Transfers of Financial Assets	1 July 2011*
IAS 1	Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income	1 July 2012*
IFRS 10	Consolidated Financial Statements	1 January 2013*
IFRS 11	Joint Arrangements	1 January 2013*
IFRS 12	Disclosure of Interests in Other Entities	1 January 2013*
IFRS 13	Fair Value Measurement	1 January 2013*
IAS 27	Separate Financial Statements (2011)	1 January 2013*
IAS 28	Investments in Associates and Joint Ventures (2011)	1 January 2013*
IFRS 7 amendment	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013*
IAS 32 amendments	Offsetting Financial Assets and Financial Liabilities	1 January 2014*
IFRS 9	Financial Instrument:	1 January 2015*

All Standards and Interpretations will be adopted at their effective date (except for those Standards and Interpretations that are not applicable to the entity).

***Amendments to IFRS 7 Financial Instruments: Disclosures**

The amendments to IFRS 7 will be adopted by the Group for the first time for its financial reporting period ending 31 March 2013. In terms of the amendments additional disclosure will be provided regarding transfers of financial assets that are:

- not derecognised in their entirety and
- derecognised in their entirety but for which the Group retains continuing involvement.

The adoption of IFRS 7 will not have a significant impact on the company's separate financial statements.

The impact on the financial statements for the Group cannot be reasonably estimated as at 31 March 2012

***Amendment to IAS 1 Presentation of Financial Statements**

The amendment to IAS 1 will be adopted by the Group for the first time for its financial reporting period ending 31 March 2013. The company will present those items of other comprehensive income that may be reclassified to profit or loss in the future separately from those that would never be reclassified to profit or loss. The related tax effects for the two sub-categories will be shown separately. This is a change in presentation and will have no impact on the recognition or measurement of items in the financial statements. This amendment will be applied retrospectively and the comparative information will be restated. The adoption of IAS 1 will not have a significant impact on the company's separate financial statements.

***IFRS 10 Consolidated Financial Statements**

IFRS 10 will be adopted by the Group for the first time for its financial reporting period ending 31 March 2014. The standard will be applied retrospectively if there is a change in the control conclusion between IAS 27/SIC 12 and IFRS 10.

IFRS 10 introduces a single control model to assess whether an investee should be consolidated. This control model requires entities to perform the following in determining whether control exists:

- Identify how decisions about the relevant activities are made,
- Assess whether the entity has power over the relevant activities by considering only the entity's substantive rights,
- Assess whether the entity is exposed to variability in returns, and
- Assess whether the entity is able to use its power over the investee to affect returns for its own benefit
- Control should be assessed on a continuous basis and should be reassessed as facts and circumstances change.

The impact on the financial statements for the Group cannot be reasonably estimated as at 31 March 2012.

***IFRS 11 Joint Arrangements**

IFRS 11 will be adopted by the Group for the first time for its financial reporting period ending 31 March 2014. The standard will be applied retrospectively, subject to certain transitional provisions. IFRS 11 establishes that classification of the joint arrangement depends on whether parties have rights to and obligations for the underlying assets and liabilities. According to IFRS 11, joint arrangements are divided into two types, each having its own accounting model. Joint operations whereby the jointly controlling parties, known as joint operators, have rights to assets and obligations for the liabilities, relating to the arrangement. Joint ventures whereby the joint controlling parties, known as joint venturers, have rights to the net assets of the arrangement. In terms of IFRS 11, all joint ventures will have to be equity accounted. The impact on the financial statements for the Group cannot be reasonably estimated as at 31 March 2012.

***IFRS 12 Disclosure of Interests in Other Entities**

IFRS 12 will be adopted by the Group for the first time for its financial reporting period ending 31 March 2014.

IFRS 12 combines, in a single standard, the disclosure requirements for subsidiaries, associates and joint arrangements, as well as unconsolidated structured entities.

The required disclosures aim to provide information to enable user to evaluate:

- The nature of, and risks associated with, an entity's interests in other entities, and
- The effects of those interests on the entity's financial position, financial performance and cash flows.
- The adoption of the new standard will increase the level of disclosure provided for the entity's interests in subsidiaries, joint arrangements, associates and structured entities.

The impact on the financial statements for the Group cannot be reasonably estimated as at 31 March 2012.

Notes to the Consolidated Financial Statement

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*IFRS 13 Fair Value Measurement

IFRS 13 will be adopted by the Group for the first time for its financial reporting period ending 31 March 2014. The standard will be applied prospectively and comparatives will not be restated.

IFRS 13 introduces a single source of guidance on fair value measurement for both financial and non-financial assets and liabilities by defining fair value, establishing a framework for measuring fair value and setting out disclosures requirements for fair value measurements. The key principles in IFRS 13 are as follows:

- Fair value is an exit price
- Measurement considers characteristics of the asset or liability and not entity-specific characteristics
- Measurement assumes a transaction in the entity's principle (or most advantageous) market between market participants
- Price is not adjusted for transaction costs
- Measurement maximises the use of relevant observable inputs and minimises the use of unobservable inputs
- The three-level fair value hierarchy is extended to all fair value measurements

The impact on the financial statements for the Group cannot be reasonably estimated as at 31 March 2012.

*IAS 27 (2011) Separate Financial Statements

IAS 27 (2011) will be adopted by the Group for the first time for its financial reporting period ending 31 March 2014. IAS 27 (2011) supersedes IAS 27 (2008). IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications. The adoption of IAS 27 (2011) will not have a significant impact on the company's separate financial statements. The impact on the financial statements for the Group cannot be reasonably estimated as at 31 March 2012.

*IAS 28 (2011) Investments in Associates and Joint Ventures

IAS 28 (2011) will be adopted by the Group for the first time for its financial reporting period ending 31 March 2014. IAS 28 (2011) supersedes IAS 28 (2008) and carries forward the existing accounting and disclosure requirements with limited amendments. These include:

- IFRS 5 is applicable to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held-for-sale; and
- On cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture or vice versa, the company does not re-measure the retained interest.

The adoption of IAS 28 (2011) will have a significant impact on the company's separate financial statements.

The impact on the financial statements for the Group cannot be reasonably estimated as at 31 March 2012.

*Amendments to IFRS 7 Financial Instruments: Disclosures: Offsetting Financial Assets and Financial Liabilities

The amendments to IFRS 7 will be adopted by the Group for the first time for its financial reporting period ending 31 March 2014.

The amendments contain new disclosure requirements for financial assets and financial liabilities that are offset in the statement of financial position; or are subject to enforceable master netting arrangements or similar agreements. The adoption of IFRS 7 will not have a significant impact on the company's separate financial statements. The impact on the financial statements for the Group cannot be reasonably estimated as at 31 March 2012.

Notes to the Consolidated Financial Statements

(Continued)

*Amendments to IAS 32 Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities

The amendments clarify that an entity currently has a legally enforceable right to set-off if that right is:

- not contingent on a future event; and
- enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties

The adoption of IAS 32 will not have a significant impact on the company's separate financial statements.

The impact on the financial statements for the Group cannot be reasonably estimated as at 31 March 2012.

*IFRS 9 (2009) Financial Instruments

IFRS 9 will be adopted by the Group for the first time for its financial reporting period ending 31 March 2016. The standard will be applied retrospectively, subject to transitional provisions. IFRS 9 addresses the initial measurement and classification of financial assets and will replace the relevant sections of IAS 39. Under IFRS 9 there are two options in respect of classification of financial assets, namely, financial assets measured at amortised cost or at fair value. Financial assets are measured at amortised cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value. Embedded derivatives are no longer separated from hybrid contracts that have a financial asset host.

The impact on the financial statements for the Group cannot be reasonably estimated as at 31 March 2012.

*IFRS 9 (2010) Financial Instruments

IFRS 9 (2010) will be adopted by the Group for the first time for its financial reporting period ending 31 March 2016. The standard will be applied retrospectively, subject to transitional provisions. IFRS 9 (2010) addresses the measurement and classification of financial liabilities and will replace the relevant sections of IAS 39.

Under IFRS 9 (2010), the classification and measurement requirements of financial liabilities are the same as per IAS 39, except for the following two aspects:

- fair value changes for financial liabilities (other than financial guarantees and loan commitments) designated at fair value through profit or loss, that are attributable to the changes in the credit risk of the liability will be presented in other comprehensive income (OCI). The remaining amount of the fair value change is recognised in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss. The determination as to whether such presentation would create or enlarge an accounting mismatch is made on initial recognition and is not subsequently reassessed.
- Under IFRS 9 (2010) derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, are measured at fair value.

IFRS 9 (2010) incorporates, the guidance in IAS 39 dealing with fair value measurement and accounting for derivatives embedded in a host contract that is not a financial asset, as well as the requirements of IFRIC 9 Reassessment of Embedded Derivatives.

The impact on the financial statements for the Group cannot be reasonably estimated as at 31 March 2012.

The directors are of the opinion that the impact of the application of the above Standards and Interpretations will not be material, on the assumption that the nature of the business is not expected to change in the foreseeable future.

Notes to the Consolidated Financial Statement

(Continued)

4. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value. Fair values have been determined for measurement and / or disclosure purposes based on the following method. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Equity securities

The fair value of publicly traded securities is based on quoted market prices at the reporting date.

The actual disclosed values of the financial instruments all approximate the fair values of these instruments – refer note 24.

5. Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Risk management is carried out by the finance department under policies approved by the Board of Directors and reports regularly to the Board of Directors.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The finance department oversees and monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group does not have an Internal Audit department.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's deposits and other receivables.

Deposits and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the demographics of the customer base, including the default risk of the industry and country in which the customers operate, as these factors have an impact on credit risk. There is no significant concentration of credit risk.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

More than 85 per cent. of the Group's customers have been transacting with the Group since its establishment, and no impairment loss has been recognised against these customers.

The Group has no allowance for impairment that might represent an estimate of incurred losses on deposits, prepayments or other receivables.

The Group held cash and cash equivalents of US\$ 4, 035 million on 31 March 2012 (2011: US\$7, 964 million) which represents the maximum credit exposure on these assets. The majority of the cash and cash equivalents are held with Citibank N.A.

Notes to the Consolidated Financial Statements

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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 ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 24 months, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Management monitors the rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows.

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 income 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 Group incurs financial liabilities in order to manage market risks. All such transactions are carried out within the guidelines set by the Board of Directors. The Group does not apply hedge accounting in order to manage volatility in profit or loss.

Currency 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, primarily Pound Sterling (GBP), the Canadian Dollar (C\$), the Franc (CFA) and the South African Rand (ZAR).

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 investment in its Nigerien subsidiary is not hedged.

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 swaps or derivative contracts.

Other market price risk

Equity price risk arises from available-for-sale equity securities held as investments at fair value through profit and loss. The investments are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors.

The primary goal of the Group's investment strategy is to make timely investments in listed or unlisted mining and mineral development companies 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.

Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital and share premium and retained earnings. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board has set a target for all employees and directors of the Group to hold a maximum of 10 per cent. of the Company's ordinary shares. At present directors and employees hold 0.34 per cent. of the ordinary shares or 9.82 per cent. assuming that all outstanding options vest and are exercised. Directors and employees are awarded share options in terms of the Share Option Plan, 2008.

Notes to the Consolidated Financial Statement

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The Group's income and operating cash flows are substantially independent of changes in market interest rates. At the year end the Group had no debt (2011: Nil). Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The Group does not have a defined share buy-back plan.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to generate cash.

As the Group only has exploration expenditure and no debt there is no return on capital calculation and thus the net debt to adjusted equity ratio is not provided.

There were no changes in the Group's approach to capital management during the year.

6. Segment information

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different services, and are managed separately because they require different strategies. For each of the strategic business units, the Group's CEO reviews internal management reports on at least a quarterly basis.

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

- Exploration – Includes obtaining licenses and exploring these licence areas.
- Investment – Includes making investments based on group investment criteria
- Corporate office – Includes all group administration and procurement

There are no other operations that meet any of the quantitative thresholds for determining reportable segments in 2012 or 2011.

There are varying levels of integration between the Exploration, Investment and Corporate Office reportable segments. This integration includes shared administration and procurement services. The accounting policies of the reportable segments are the same as described in notes 2 and 3.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

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Operating Segments	Exploration		Investment		Corporate Office		Total	
	2012 US\$'000	2011 US\$'000	2012 US\$'000	2011 US\$'000	2012 US\$'000	2011 US\$'000	2012 US\$'000	2011 US\$'000
Finance income	-	-	-	-	-	(1)	-	(1)
Depreciation	20	77	-	-	51	72	71	149
Reportable segment (loss)/ profit before tax	(1 017)	(893)	-	26 063	(1 374)	380	(2 391)	25 550
Other material non-cash items:								
- Share-based payments expense	-	-	-	-	132	109	132	109
- Share-based payments reversal on cancellation	-	-	-	-	(21)	(1 448)	(21)	(1 448)
- Warrant option reversal on expiry	-	-	-	-	-	(161)	-	(161)
- Impairment of intangibles	-	-	-	-	-	120	-	120
Reportable segment assets	4 759	6 633	-	-	7 847	8 121	12 606	14 754
Capital expenditure	(2)	(2)	-	-	(3)	(12)	(5)	(14)
Reportable segment liabilities	(186)	(160)	-	-	(136)	(34)	(322)	(194)

Geographical segments

For the year ended 31 March 2012, exploration activities took place in both South Africa and Niger, whilst all accounting and administration activities were conducted from the South African administration office. In the previous year the investments were controlled from the British Virgin Islands

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

	Revenues US\$'000	Non-current Assets US\$'000
31 March 2012		
Niger	-	4 759
South Africa	-	3 718
	-	8 477
31 March 2011		
Niger	-	4 841
South Africa	-	1 775
	-	6 616

Notes to the Consolidated Financial Statements

(Continued)

7. Plant and equipment

	Cost US\$'000	Accumulated Depreciation US\$'000	Carrying Amount US\$'000
31 March 2012			
Exploration plant and equipment	162	(155)	7
Motor vehicles	184	(184)	-
Computer equipment	195	(150)	45
Furniture and equipment	100	(83)	17
	641	(572)	69
31 March 2011			
Exploration plant and equipment	170	(155)	15
Motor vehicles	192	(190)	2
Computer equipment	194	(111)	83
Furniture and equipment	102	(66)	36
	658	(522)	136

Reconciliation of carrying amount – 31 March 2012

	Exploration plant and equipment US\$'000	Motor vehicles US\$'000	Computer equipment US\$'000	Furniture and office equipment US\$'000	Total US\$'000
Balance at 1 April 2011	15	2	83	36	136
Additions	-	-	3	2	5
Depreciation	(8)	(2)	(40)	(21)	(71)
Foreign exchange differences	-	-	(1)	-	(1)
Balance at 31 March 2012	7	-	45	17	69

Reconciliation of carrying amount – 31 March 2011

Balance at 1 April 2010	38	85	118	53	294
Additions	12	-	-	2	14
Disposals	-	(29)	(1)	(29)	(59)
Depreciation	(35)	(54)	(40)	(20)	(149)
Foreign exchange differences	-	-	6	30	36
Balance at 31 March 2011	15	2	83	36	136

None of the plant and equipment is pledged to any third party, nor are there any restrictions as to title. At the reporting date there are no capital commitments.

Notes to the Consolidated Financial Statements

(Continued)

8. Intangible assets

	Cost US\$'000	Accumulated amortisation and impairments US\$'000	Carrying Amount US\$'000
31 March 2012			
Exploration licences	4 825	(120)	4 705
31 March 2011			
Exploration licences	4 825	(120)	4 705

With regards to its intangible assets held in Niger, and given the past security issues within that country, the Group considers that it has fully complied with its commitments under the terms of the licences that it currently holds. Although no extension had yet been received for the Ihazer and In Gall licences, management were of the opinion that this would be forthcoming and thus they believed that there was no reason to consider these licences for impairment. Until such time as the Group either fails to meet its financial commitments or elects to forfeit any or all of the licences, intangible assets will continue to be reviewed for impairment as described in the accounting policies.

The Ihazer and In Gall licences initially carried at a total acquisition cost of US\$ 4.705 million were registered in the name of NWT Uranium Corporation ("NWT"). The Kamas 1, Kamas 2, Kamas 3, Kamas 4, Dabala 3 and Dabala 4 licences initially carried at an acquisition cost of US\$ 120 000 were registered in the name of UraMin. In terms of the policy these licences have been impaired in full. All of the Niger exploration licences were acquired from NWT and UraMin Inc. in terms of the asset purchase agreement.

9. Investment in jointly controlled asset

	31 March 2012		31 March 2011	
	Non-current asset US\$'000	Ownership %	Non-current asset US\$'000	Ownership %
Investment in Nickel Joint Venture	3 703	45%	1 775	45%
Reconciliation of the movement in the Nickel Joint Venture				
Balance at 1 April	1 775		-	
Increase in investment	1 928		1 775	
Balance at 31 March	3 703		1 775	

On 5 October 2010, the Group announced that it had entered into a joint venture (the "Nickel Joint Venture") with Southern African Nickel ("SAN"), 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 Joint Venture of, in aggregate, up to US\$3.6 million over a period of 20 months from 5 October 2010.

Capital commitments of the jointly controlled asset

	31 March 2012		31 March 2011	
	Total US\$'000	URU share US\$'000	Total US\$'000	URU share US\$'000
URU Metals incurred	450	206	1 825	1 825

On 6 April 2011 the Company announced the satisfactory and successful conclusion of all due diligence activities between SAN and Umnex Holdings 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 an addition to the portfolio of nickel assets held by the SAN-URU Metals exploration Joint Venture. The acquisition involved no additional cash consideration to be made by either the Company or SAN and did not increase the Company's original committed contribution to the Joint Venture of US\$3.6 million, which during the year was spent.

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In the year under review, URU Metals has satisfied all its obligations under the Joint Venture Agreement and has now a fully vested a 50% interest in the Nickel Joint Venture. As announced on 6 April 2011, the Joint Venture is seeking to continue the development of the Zebediela Nickel Project, Umnex Mineral Holdings (Pty) Ltd. ("Umnex"), the vendor of the Zebediela Nickel Project, will receive a direct interest in the Joint Venture from both Southern African Nickel and URU Metals, following which the effective interest of each party in the Joint Venture will be: URU Metals 45 per cent., Southern African Nickel 40 per cent. and Umnex 15 per cent.

As a consequence of the positive results from the drilling programme and the progress made in metallurgical testing phases, the Joint Venture partners have committed further funding in order to complete a Preliminary Economic Assessment study ("PEA") on the Zebediela Nickel Project and to continue with metallurgical testing of the Burgersfort Nickel Project mineralization.

The results of the PEA were announced after the year end and are shown herein under "Events after the Reporting Date"

10. Receivables

	31 March 2012 US\$'000	31 March 2011 US\$'000
Deposits	28	139
Other prepayments	30	11
Other receivables	36	24
	94	174

11. Cash and cash equivalents

	31 March 2012 US\$'000	31 March 2011 US\$'000
Cash on hand	2	2
Call and notice deposits	4 033	7 962
	4 035	7 964

12. Share capital and premium

Ordinary Shares	Number of Shares	Share Capital US\$'000	Share Premium US\$'000	Total US\$'000
Authorised share capital:				
300 000 000 shares of US\$ 0.01 each	300 000 000	3 000	-	3 000
Issued share capital:				
113 276 722 shares of US\$ 0.01 each	113 276 722	1 133	45 724	46 857

Reconciliation of the movements in share capital and share premium – 31 March 2012

	Number of Shares	Share Capital US\$'000	Share Premium US\$'000	Total US\$'000
Issued share capital:				
Balance at 31 March 2011	113 210 056	1 132	45 720	46 852
Issue of shares	66 666	1	4	5
Balance at 31 March 2012	113 276 722	1 133	45 724	46 857

Notes to the Consolidated Financial Statements

(Continued)

Issued shares

All issued shares are fully paid up.

Unissued shares

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

Dividends

The following dividends were declared and paid by the Group:

	31 March 2012 US\$'000	31 March 2011 US'000
Dividend in specie of 10.912million Kalahari Minerals plc shares	-	27 281

13. Reserves

	31 March 2012 US\$'000	31 March 2011 US'000
Share option reserve	3 737	3 626
Foreign currency translation reserve (refer Note 16)	(125)	(124)
	3 612	3 502

14. 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 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 31 March 2012.

The terms and conditions of the grants are as follows: all options are to be settled by physical delivery of shares, against payment to the Group of the option price:

Grant date/ employees entitled	Number of options	Vesting Vesting conditions	Contractual life of options
Option grant to directors – 12 September 2007	2 602 400	Immediate	5 years
Options grant to directors – 15 December 2007	2 200 000	Over 3 years	5 years
Options grant to key management and employees – 15 December 2007	1 730 000	3 years service	10 years
Options grant to directors, key management and employees – 16 October 2008	3 607 000	3 years service	10 years
Options grant to directors, key management and employees – 9 October 2009	2 510 000	3 years service	10 years
Options grant to directors, key management and employees – 21 October 2010	7 950 000	3 years service	10 years
Options grant to directors, key management and employees – 21 February 2012	1 850 000	3 years service	10 years
	22 449 400		

Notes to the Consolidated Financial Statement

(Continued)

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

	Number of Options	31 March 2012 Weighted average exercise price (GBP)	Number of Options	31 March 2011 Weighted average exercise price (GBP)
Outstanding at 1 April	10 452 400	0.16	5 702 400	0.48
Granted during the year	1 850 000	0.07	7 950 000	0.05
Exercised during the year	(66 666)	0.05	-	-
Forfeited during the year	(1 500 000)	0.05	(3 200 000)	0.45
Outstanding at 31 March	10 735 734	0.15	10 452 400	0.16
Exercisable at 31 March	4 585 734	0.30	2 502 400	0.50

The options outstanding at 31 March 2012 have an exercise price in the range of between 4.88p and 50.0p and a weighted average contractual life of 6.27 years. The options outstanding at 31 March 2011 had exercise prices in the range of between 4.88p and 50.0p and had a weighted average contractual life of 7.35 years.

In the current year 66 666 options were exercised (2011: Nil) at a weighted average price of 4.88p.

Reconciliation of share options outstanding – 31 March 2012

Range of exercise prices	Number outstanding at 31 March 2012	Weighted average remaining life (years)	Weighted average price (GBP)	Options exercisable Number exercisable as at 31 March 2012	Options exercisable Weighted average price (GBP)
0.50	2 502 400	0.50	0.5000	2 502 400	0.5000
0.0488	6 383 334	7.50	0.0488	2 083 334	0.0488
0.07	1 850 000	9.92	0.0700	-	-
	10 735 734	6.27	0.1456	4 585 734	0.2950

Reconciliation of share options outstanding – 31 March 2011

Range of exercise prices	Number outstanding at 31 March 2011	Weighted average remaining life (years)	Weighted average price (GBP)	Options exercisable Number exercisable as at 31 March 2011	Options exercisable Weighted average price (GBP)
0.50	2 502 400	1.50	0.5000	2 502 400	0.5000
0.0488	7 950 000	8.50	0.0488	-	-
	10 452 400	6.81	0.1568	2 502 400	0.5000

Notes to the Consolidated Financial Statements

(Continued)

The fair value of services received in return for share options granted is based on the fair value of share options granted, based on the closing share price at the close of business on the previous day, using the following inputs:

	Directors and key management personnel		Senior employees	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Fair value at grant date	0.07	0.0488	0.07	0.0488
Share price	0.07	0.0488	0.07	0.0488
Exercise price	0.07	0.0488	0.07	0.0488
Expected volatility	54.9%	34.8%	54.9%	34.8%
Option life (expected weighted average life – 10 years)	9.84	9.5	9.84	9.5
Expected dividends	0%	0%	0%	0%
Risk free interest rate	3.16%	3.69%	3.16%	3.69%

Expected volatility is estimated by considering historic average share price volatility.

	Note	31 March 2012 US\$'000	31 March 2011 US\$'000
Share options granted – current year		132	109
Share option expense reversal on forfeiture		(21)	(1 448)
Total expense recognised in employee costs		111	(1 339)
The share options expense was as follows:			
- Directors	18	66	63
- Employees	18	66	46
		132	109
Aggregate un-expensed fair value of options granted		178	218

(b) Warrant options

The following is a summary of the Group's warrant options granted under its Share Incentive Scheme. As at 31 March 2012, the following warrant options, 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 Cornish	9 Oct 2009	9 Oct 2009	100 000	0.345	9 Oct 2019	0.345

No warrant options lapsed during the year under review (2011: 250 000 lapsed). No reversal of expenses from prior years took place, whilst in the comparative period, as a result of the lapsing of these warrant options, a reversal of the expenses in the previous years of US\$ 161 000 was recognised in profit or loss. No warrant options were cancelled or were exercised during the year.

(c) Share-based payments

The fair value of the options vested during the year ended 31 March 2012 is calculated at US\$ Nil (2011: US\$ Nil). 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.

Notes to the Consolidated Financial Statement

(Continued)

15. Fair value reserve

The fair value reserve includes the cumulative net exchange in fair value of available-for-sale investments until the investment is derecognised.

	31 March 2012 US\$'000	31 March 2011 US\$'000
Opening balance	-	26 063
Movement for the year	-	(26 063)
Closing balance	-	-

16. Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial results of foreign operations.

	31 March 2012 US\$'000	31 March 2011 US\$'000
Opening balance	(124)	(123)
Movement for the year	(1)	(1)
Closing balance	(125)	(124)

17. Trade and other payables

	31 March 2012 US\$'000	31 March 2011 US\$'000
Other payables	22	18
Unclaimed dividends	17	-
Accruals	283	176
	322	194

18. Operating (loss)/profit

The following items have been charged in arriving at the operating (loss)/profit for the year:

	31 March 2012 US\$'000	31 March 2011 US\$'000
Auditors remuneration	78	64
Directors fees	47	56
Legal fees	26	110
Operating lease payments	100	86
Depreciation	71	149
Foreign exchange loss/(gain)		
-realised	30	7
-unrealised	21	(280)
Impairment of intangible assets	-	120
Loss on disposal of plant and equipment	-	4
Fair value reserve realised on disposal of available-for-sale investment	-	(26 063)
Salaries and wages		
Share options expensed – directors (equity settled)	66	63
Share options expensed – staff (equity settled)	66	46
Share options reversal – directors	(21)	(1 245)
Share options reversal – staff	-	(203)
Staff cost – salaries	623	641
Warrant options reversal on expiry	-	(161)

Notes to the Consolidated Financial Statements

(Continued)

19. Finance income

	31 March 2012 US\$'000	31 March 2011 US\$'000
Finance income on funds on deposit	-	1

20. Income tax expense and deferred taxation

No taxation has been provided due to calculated tax losses in the current and prior year in the jurisdictions in which it operates.

The British Virgin Islands under the IBC imposes no corporate or capital gains taxes. However the Company as a Group may be liable for taxes in the jurisdictions where it develops mining properties.

No deferred tax asset has been recognised because there is insufficient evidence of the timing of suitable future profits against which it can be recovered. No deferred tax liability has been recognised as a result of the losses in the periods to date.

21. Basic and diluted (loss)/earnings per share

	31 March 2012	31 March 2011
The basic (loss)/earnings per share is calculated using:		
(Loss)/profit for the year (US\$'000)	(2 391)	25 550
Weighted average number of ordinary shares in issue	113 217 160	113 210 056
Basic (loss)/earnings per share (US cents)	(2.11)	22.6
Reconciliation of the weighted average number of ordinary shares in issue:		
Number of ordinary shares in issue at beginning of the year	113 210 056	113 210 056
Exercise of options – 28 February 2012	7 104	-
	113 217 160	113 210 056
The diluted (loss)/earnings per share is calculated using:		
(Loss)/profit for the year (US\$'000)	(2 391)	25 550
Weighted average number of ordinary shares in issue	113 217 160	113 210 056
Effect of share options on issue	-	-
Effect of warrant options on issue	-	-
Weighted average number of ordinary shares (diluted) at 31 March	113 217 160	113 210 056
Diluted (loss)/earnings per share (US cents)	(2.11)	22.6

At 31 March 2012, 10 735 743 share options (2011: 10 452 400) and 100 000 warrant options (2011: 100 000) were excluded from the diluted weighted average number of ordinary shares calculations as their effect would be anti-dilutive.

The average market value of the Group's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

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22. Contingent liabilities and commitments

	31 March 2012 US\$'000	31 March 2011 US\$'000
Operating lease commitments		
The future minimum lease payments under non-cancellable leases are:		
Less than 1 year	42	78
Later than 1 year but less than 5 years	68	123
	110	201

The operating lease commitments relate to one property lease in Sandton which commenced in December 2010. The lease expires in December 2013, with an option to negotiate an extension. The initial lease payment amounted to US\$ 4,916 per month and escalates at 8% per annum. In the prior year the Company also held an operating lease in Morningside which was terminated during the year under review.

23. Notes to the statement of cash flows

Cash utilised by operating activities

	31 March 2012 US\$'000	31 March 2011 US\$'000
(Loss)/profit before income tax	(2 391)	25 550
Adjusted for:		
- Depreciation	71	149
- Realised fair value adjustment	-	(26 063)
- Share-based payments expense	132	109
- Share-based payments reversal on cancellation	(21)	(1 448)
- Warrant options reversal on expiry	-	(161)
- Loss on disposal of plant and equipment	-	4
- Impairment of intangible assets	-	120
- Net finance income	-	(1)
- Unrealised foreign exchange loss/(gain)	21	(280)
	(2 188)	(2 021)
Movements in working capital:		
-Decrease in receivables	80	45
-Increase in trade and other payables	128	107
Cash utilised by operating activities	(1 980)	(1 869)

24. Financial Instruments

Credit risk

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	Carrying amount 31 March 2012 US\$'000	Carrying amount 31 March 2011 US\$'000
Receivables	11	64	163

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Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount US\$'000	Contractual cash flows US\$'000	6 months or less US\$'000	6-12 months US\$'000	1-2 years US\$'000	2-5 years US\$'000
31 March 2012						
Non-derivative financial liabilities						
Trade and other payables	322	322	322	-	-	-
31 March 2011						
Non-derivative financial liabilities						
Trade and other payables	194	194	194	-	-	-

Market risk

As the Group has disposed of all its available-for-sale assets the exposure to market risk is limited to currency risk described herein.

i) Exposure to currency risk

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

	US Dollars US\$'000	British Pounds Sterling US\$'000	South African Rand US\$'000	Franc CFA US\$'000	Canadian Dollars US\$'000
31 March 2012					
Receivables	18	22	35	19	-
Trade and other payables	(4)	(78)	(1)	(187)	(52)
Net exposure	14	(56)	34	(168)	(52)
31 March 2011					
Receivables	8	13	31	119	-
Trade and other payables	(19)	(7)	(8)	(160)	-
Net exposure	(11)	6	23	(41)	-

The following significant exchange rates applied during the period:

US\$	31 March 2012		31 March 2011	
	Average rate	Reporting date	Average rate	Reporting date
British Pounds Sterling	0.6264	0.6254	0.6435	0.6238
South African Rand	7.3774	7.6805	7.2159	6.8456
Franc CFA	486.00	502.89	506.57	474.92
Canadian Dollar	0.9930	0.9972	-	-

Notes to the Consolidated Financial Statements

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(ii) Sensitivity analysis

A 10 per cent. strengthening of the US Dollar against the following currencies at 31 March 2012 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Effect in US\$'000	31 March 2012		31 March 2011	
	Equity	Profit or loss	Equity	Profit or loss
British Pounds Sterling	-	(6)	-	1
South African Rand	-	3	-	2
Franc CFA	-	(17)	-	(4)
Canadian Dollar	-	(5)	-	(4)

A 10 per cent. weakening of the US Dollar against the above currencies at 31 March 2012 and 31 March 2011 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Fair values

(i) Fair values versus carrying amounts

The fair values of financial assets and financial liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

Assets and liabilities carried at amortised cost	31 March 2012		31 March 2011	
	Carrying amount US\$'000	Fair value US\$'000	Carrying amount US\$'000	Fair value US\$'000
Receivables	64	64	174	174
Cash and cash equivalents	4 035	4 035	7 964	7 964
Trade and other payables	(322)	(322)	(194)	(194)
	3 777	3 777	7 944	7 944

The carrying amounts of receivables, cash and cash equivalents and trade and other payables approximate fair value due to the short maturities of these instruments.

Interest rates used for determining fair value

The interest rates used to determine estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread.

Fair value hierarchy

During the year ended 31 March 2011 available-for-sale financial assets were valued using unadjusted quoted prices in active markets for identical assets, which were defined as level 1 within fair value hierarchy.

25. Subsidiaries

The Group financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policies described in note 1:

	Country of incorporation	31 March 2012	31 March 2011
		%	%
Niger Uranium S.A.	Niger	100	100
URU (Management) Limited*	British Virgin Islands	100	100
URU (Africa) Limited*	British Virgin Islands	100	100
Namaqua Uranium (Proprietary) Limited*	Namibia	100	100
URU Metals (Zambia) Ltd*	Zambia	100	-

*dormant

Notes to the Consolidated Financial Statements

(Continued)

26. Events after the reporting date

(i) Zebediela Nickel Project Preliminary Economic Assessment ("PEA")

On 7 June 2012 the Group announced a positive NI 43-101-compliant PEA of the Zebediela Nickel Project in the Southern African Nickel Joint Venture

The PEA of the Zebediela Nickel Project projects a pre-tax and pre-royalty net present value of \$1,018 million at an 8% discount rate, an internal rate of return of 25.7% and a 3.8 year payback period.

Indicated Resources are 485.4 million tonnes at a grade of 0.245% total Nickel at a cut off of 1,000 ppm with additional inferred resources of 1,115.1 million tonnes at a grade of 0.248% total Nickel at a cut off of 1,000 ppm. Using Indicated Resources only, a proposed open-pit mine is envisioned with a 25 year mine life producing 53,600,000 lbs of recoverable nickel per annum.

The project is projected to be a lowest-quartile cost nickel producer. Substantial opportunities are available to the Zebediela Nickel Project to increase the project value through resource accretion and the addition of a magnetite concentrate revenue stream.

(ii) Changes to the Board of Directors

On 12 July 2012, URU Metals announced that Mr. David Subotic has been appointed to the Board as a Non-Executive Director with immediate effect. Mr. Subotic was nominated to join the Board by NWT Uranium Corporation ("NWT"), the Company's largest shareholder, pursuant to the terms of the relationship agreement between the Company and NWT dated 20 April 2010 (the "Relationship Agreement"). Mr. Subotic is the interim President and Chief Executive Officer of NWT.

Mr. Subotic is a former vice president of Haywood Securities, an international investment firm specialising in the resource sector, where he helped raise more than \$2 billion in financing for commodities and oil and gas companies. Previously, Mr. Subotic was a vice president of Canada's Yorkton Securities, a national full-service firm that provides services to institutional investors, issuing companies and retail clients. More recently Mr. Subotic was the founder and chief executive officer of Asian Coast Development Ltd., an international resort developer planning the \$4.2 billion Ho Tram Strip integrated resort destination in Southern Viet Nam. Mr. Subotic is currently the CEO and CIO of DAS Capital, a Singapore- and Toronto-based hedge fund and a director of NWT.

Mr. Subotic holds 3,250,000 ordinary shares in URU, which represents 2.8% of the issued share capital of the Company.

Mr. Subotic holds 4,360,000 ordinary shares in NWT, which represents 3.27% of the issued share capital of NWT.

Following his resignation from his position as president and chief executive officer of NWT on 23 April 2012, John Lynch will remain on the Board of URU, but as a Non-Executive Director rather than an appointed board representative of NWT. It should be noted that Mr. Lynch no longer has any relationship with NWT and is therefore not considered by the Company to be a representative of NWT pursuant to the Relationship Agreement.

(iii) Zebediela Nickel Project

URU has become aware through its discussion with its partners on the Zebediela Nickel Project, Southern African Nickel (SAN) and Umnex Mineral Holdings ("Umnex"), that a dispute has arisen between SAN and Umnex that has the potential to force these two parties to enter arbitration. Both parties are alleging that the other party has failed in its obligations under their agreement. Primarily, Umnex has alleged that SAN has failed in its obligation to achieve a public listing for the joint venture project by July 6, 2012, and thus Umnex can leave the joint venture with ownership of the mineral rights in exchange for payment of historical exploration costs, whereas SAN alleges that Umnex has not facilitated the required transfer of the mineral license 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 through an agreement with SAN exclusively, and URU has fulfilled all of its obligations under that separate agreement. URU has been in active discussions between Umnex and SAN to facilitate a resolution to the dispute. However, should negotiations fail, Umnex and SAN will be proceeding to arbitration under their joint venture agreement.

Notes to the Consolidated Financial Statements

(Continued)

27. Related party disclosure

Transactions with key management personnel

During the period to 31 March 2012, 1 850 000 (2011: 7 950 000) share options were issued to directors and employees of the Company. The options were granted under recommendation of the Remuneration Committee and were granted at an exercise price of GBP0.07 each (2011: GBP 0.0488 each). As part of the settlement with the former finance director's estate, 1 500 000 (2011: 3 200 000) share options were cancelled. In the prior year the options were cancelled following the conclusion/termination of the individuals involvement with the Group.

During the same period, no share warrants were issued, exercised or cancelled (2011: 250 000 warrants lapsed).

Directors

The following transactions were carried out with directors:

(i) Share options outstanding and exercised by Directors are as follows:

Under IFRS 2 Share-based payments, the Company determines the fair value of options issued to directors and employees as remuneration and recognises the amount as an expense in profit or loss with a corresponding increase in equity. The Remuneration Committee is responsible for the granting of options at its discretion.

Details of share options outstanding, granted, forfeited, cancelled or lapsed by Directors and Past Directors are as follows:

	Balance at 31 March 2011	Granted during the period	Forfeited, cancelled or lapsed during the period	Balance at 31 March 2012	Allocated price of options on hand 31 March 2012 (GBP)	First exercise date
Executive directors						
G. Cassidy	1 500 000	-	(1 500 000)	-	-	-
Non-executive directors						
J.P. Lynch	1 500 000	-	-	1 500 000	0.0488	21 Oct 2011
J.P. Lynch	-	500 000	-	500 000	0.0700	21 Feb 2013
P. Loudon	1 500 000	-	-	1 500 000	0.0488	21 Oct 2011
P. Loudon	-	500 000	-	500 000	0.0700	21 Feb 2013
Past Directors						
I. Stalker	480 000	-	-	480 000	0.5000	12 Sept 2007
N. Herbert	435 000	-	-	435 000	0.5000	12 Sept 2007
J. Sanders	100 000	-	-	100 000	0.5000	12 Sept 2007
J. Mellon	350 000	-	-	350 000	0.5000	12 Sept 2007
M. Kreczmer	1 037 400	-	-	1 037 400	0.5000	12 Sept 2007
W. Beach	100 000	-	-	100 000	0.5000	12 Sept 2007
	7 002 400	1 000 000	(1 500 000)	6 502 400	0.2100	

Notes to the Consolidated Financial Statements

(Continued)

(ii) Directors' remuneration:

	Short-term employee benefits US\$'000	Share-based payment expense US\$'000	Total US\$'000
Executive directors			
G. Cassidy	150	(8)	142
Non-executive directors			
J. Lynch	19	33	52
P. Loudon	19	33	52
Total for the year ended 31 March 2012	188	58	246
Total for the year ended 31 March 2011	277	63	340

Registered number

1405944 - Registered in British Virgin Islands

Directors

Paul Loudon – Non-executive chairman

John Lynch – Non-executive director

David Subotic – Non-executive director

Registered office

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British Virgin Islands VG 1110

Business address

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South Africa

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Parktown

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South Africa

Brokers

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Solicitors

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Fairfax IS PLC

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United Kingdom

Registrars

Computershare Investor Services (Channel Islands) Ltd

PO Box 83

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St Helier JE4 8PW

Channel Islands

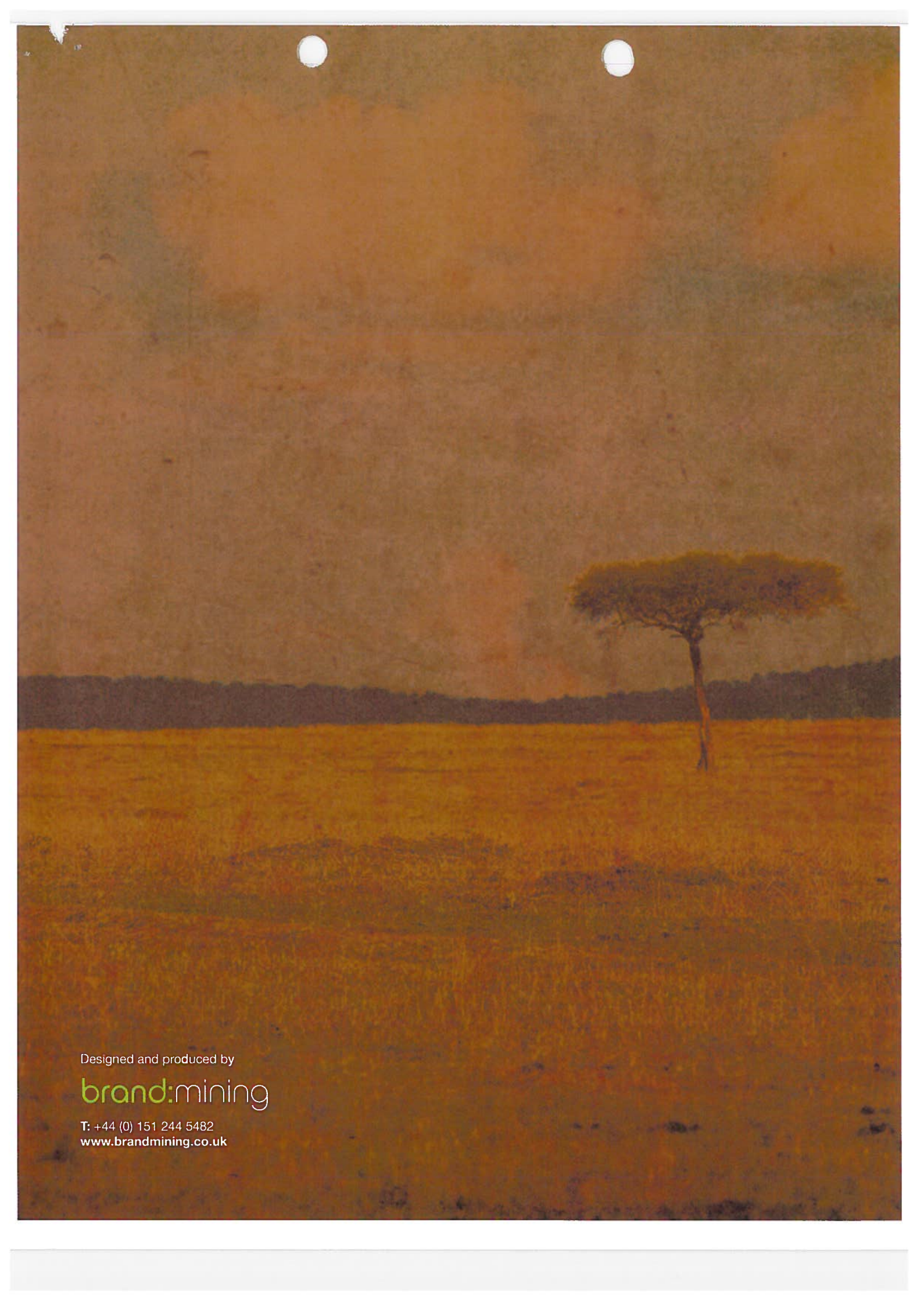
Principal bankers

CitiBank N.A.

111 Wall Street

New York

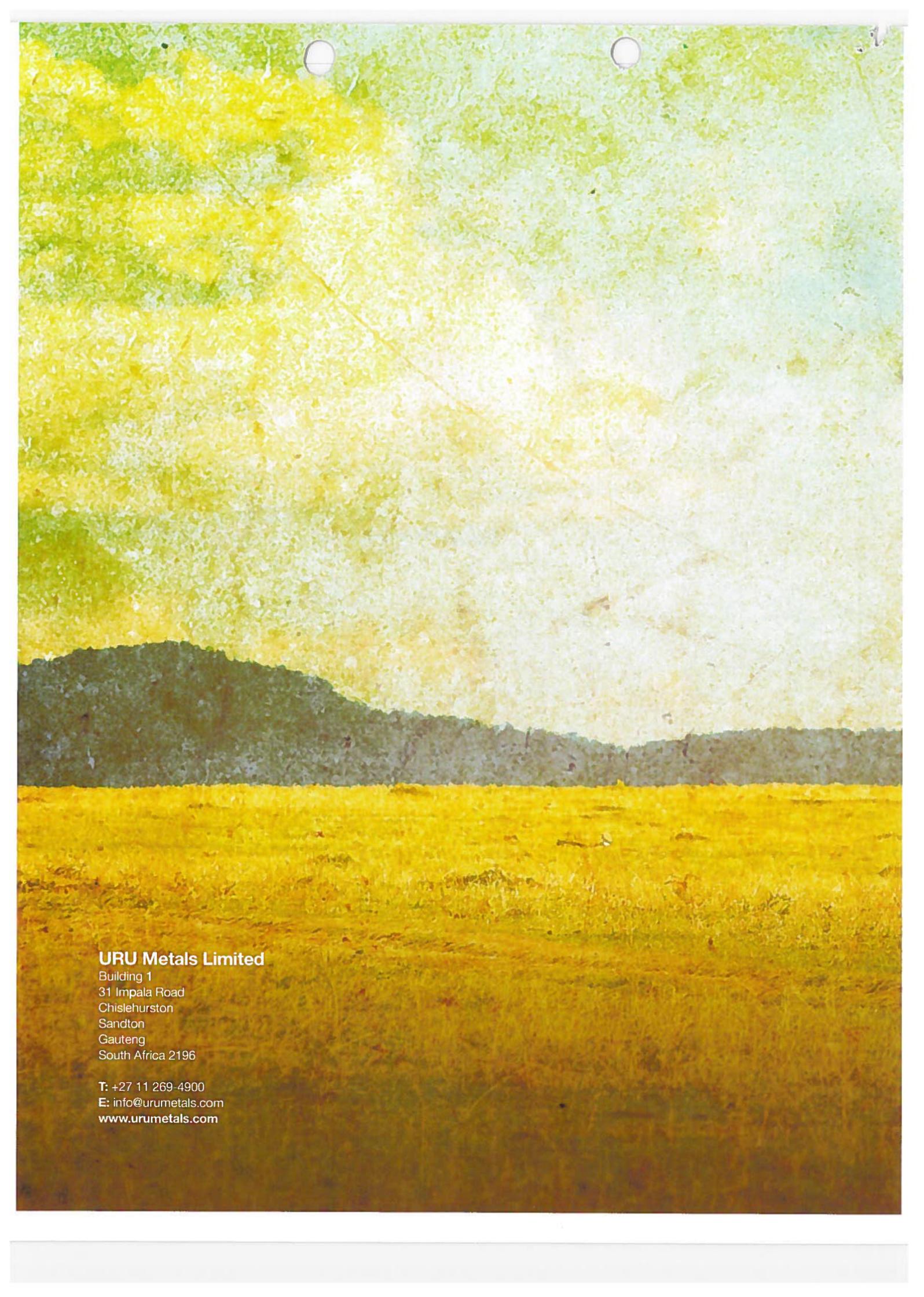
United States of America



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21 December 2012

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

Unaudited Interim Results for the six month period ended 30 September 2012

URU Metals Limited, (AIM:URU), the base metals and uranium explorer and development company, announces its interim results for the six months ended 30 September 2012. A copy of this announcement is available on the Company's website, www.urumetals.com.

CHAIRMAN'S STATEMENT

I am pleased to present to our shareholders and stakeholders, the condensed consolidated interim report of the Group for the six months ended 30 September 2012 (the "Period").

Despite the tight economic conditions we believe that the Group will continue to deliver value to its shareholders. We are pursuing all possible options and alternatives to bringing shareholder value.

HIGHLIGHTS

The highlights of our progress during the six months to 30 September 2012, and to the date of this report, can be summarised as follows:

NICKEL JOINT VENTURE

Whilst the Group accelerated the completion of the Preliminary Economic Assessment ("PEA") on the Zebediela Project and announced a NI 43-101 compliant PEA on 7 June 2012, it is most distressing that our partners have decided to proceed with arbitration proceedings.

URU continues to work with both parties to resolve the dispute and to move forward with the project's development as originally planned.

At this stage we have decided not to impair the investment in the Nickel Project, until the results of the arbitration become known.

We are unable to provide guidance at this time as to when the arbitration proceedings will commence, and the timeframe under which one could expect a decision by the arbitrators.

NIGER

The drilling and exploration programme at our In Gall and Irhazer licensed areas has not returned compelling results. Given the continued global slowdown and the difficulty in obtaining extensions to our licence areas in Niger, I report that we are considering our options in regard of these assets and at this stage, it was considered prudent to impair the cost incurred to date on the Niger licences.

MANAGEMENT AND BOARD

As announced in February 2012, the Board was most pleased to welcome Mr. Roger Lemaitre, a well experienced geologist as Chief Executive to the Company. In conjunction with the appointment of myself to the Board in July 2012 Messrs Lemaitre and Vieira were also appointed, whilst Mr. Paul Loudon and Mr. John Lynch agreed to step down. I would like to thank them both for their contributions over the years.

ANNUAL GENERAL MEETING

The Group held its Annual General Meeting on 26 October 2012 and we were pleased to announce that all resolutions were duly passed.

OUTLOOK

Since incorporation, the Company has sought to widen its strategy in the field of metals exploration and development and continues to seek to develop a diverse portfolio of exploration and development projects either organically or through acquisition.

The result of the arbitration proceedings on the nickel joint venture is eagerly awaited, in order to further progress this project.

At the reporting date, the Group had cash resources of US\$ 2.773 million and no borrowings.

Along with other junior exploration companies during the period the share price declined from just over 7.5p to 2.88p.

We continue to believe that the fundamentals of the base minerals industries remain positive.

David Subotic
Non-Executive Chairman
20 December 2012

Contact Details:

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SP Angel Corporate Finance LLP + 44 203 463 2260
(Nominated Adviser and Joint Broker)
Ewan Leggat / Laura Littley

Daniel Stewart & Company Plc + 44 207 776 6590
(Joint Broker)
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Ana Ribeiro

**Independent Auditor's Review Report on Condensed Consolidated Interim Financial Information
To the Shareholders of URU Metals Limited**

We have reviewed the accompanying condensed consolidated interim report of URU Metals Limited, which comprise the condensed consolidated statement of financial position at 30 September 2012, and the related condensed consolidated statement of comprehensive income, changes in equity and cash flows for the six months then ended, and selected explanatory notes. The directors are responsible for the preparation and presentation of this interim report in accordance with International Accounting Standard IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of the condensed consolidated interim report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim report of URU Metals Limited for the six months ended 30 September 2012 is not prepared, in all material respects, in accordance with International Accounting Standard IAS 34, *Interim Financial Reporting*.

KPMG Inc.

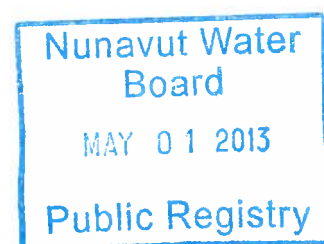
Per Nick van Niekerk
Chartered Accountant (SA)
Registered Auditor
Director
20 December 2012

85 Empire Road
Parktown
South Africa

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

US\$'000	Note	Reviewed As at 30 September 2012	Reviewed As at 30 September 2011	Audited As at 31 March 2012
ASSETS				
Non-current assets				
Plant and equipment		39	99	69
Intangible assets	5	-	4 705	4 705
Investment in jointly controlled asset	6	3 929	3 318	3 703
		3 968	8 122	8 477
Current assets				
Receivables	7	117	164	94
Cash and cash equivalents		2 773	5 251	4 035
		2 890	5 415	4 129
Total assets		6 858	13 537	12 606
EQUITY AND LIABILITIES				
Equity and reserves				
Share capital and premium	8	46 857	46 852	46 857
Reserves	9	1 751	3 505	3 612
Accumulated deficit		(41 991)	(37 011)	(38 185)
		6 617	13 346	12 284
Current liabilities				
Trade and other payables		241	191	322
Total equity and liabilities		6 858	13 537	12 606

The condensed consolidated interim financial statements were approved by the Board of Directors on 20 December 2012 and signed on its behalf by:



D. Subotic
Director

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

US\$'000	Note	Reviewed 6 months ended 30 September 2012	Reviewed 6 months ended 30 September 2011	Audited Year ended 31 March 2012
Expenses		(5 752)	(1 217)	(2 391)
Administrative expenses		(943)	(973)	(1 893)
Exploration expenditure		(16)	(244)	(498)
Other expenses		(4 793)	-	-
Operating loss	10	(5 752)	(1 217)	(2 391)
Net finance income		-	-	-
Loss before income tax		(5 752)	(1 217)	(2 391)
Income tax expense	11	-	-	-
Loss for the period		(5 752)	(1 217)	(2 391)
Other comprehensive income				
Foreign currency translation differences for foreign operations		(3)	3	(1)
Other comprehensive income for the period, net of income tax		(3)	3	(1)
Total comprehensive income for the period		(5 755)	(1 214)	(2 392)
Loss attributable to:				
Owners of the company		(5 755)	(1 217)	(2 391)
Total comprehensive income attributable to:				
Owners of the company		(5 755)	(1 214)	(2 392)
Basic loss per share (in US cents)	12	(0.05)	(1.08)	(2.11)
Diluted loss per share (in US cents)	12	(0.05)	(1.08)	(2.11)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

US\$'000	Share Capital	Share premium	Foreign currency translatio n reserve	Share and warrant option reserve	Accumulate d deficit	Total

Balance at 1 April 2011	1 132	45 720	(124)	3 626	(35 794)	14 560
Loss for the period						
Loss for the period	-	-	-	-	(1 217)	(1 217)
Other comprehensive income						
Foreign currency translation differences	-	-	3	-	-	3
Total other comprehensive income	-	-	3	-	-	3
Total comprehensive income for the period attributable to owners of the company	-	-	3	-	(1 217)	(1 214)
Balance at 30 September 2011	1 132	45 720	(121)	3 626	(37 011)	13 346
Balance at 1 October 2011	1 132	45 720	(121)	3 626	(37 011)	13 346
Loss for the period						
Loss for the period	-	-	-	-	(1 174)	(1 174)
Other comprehensive income						
Foreign currency translation differences	-	-	(4)	-	-	(4)
Total other comprehensive income	-	-	(4)	-	-	(4)
Total comprehensive income for the period attributable to owners of the company	-	-	(4)	-	-	(4)
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares	1	4	-	-	-	5
Share-based payment transactions	-	-	-	111	-	111
Total contributions by and distributions to owners for the period	1	4	-	111	-	116
Balance at 31 March 2012	1 133	45 724	(125)	3 737	(38 185)	12 284
Balance at 1 April 2012	1 133	45 724	(125)	3 737	(38 185)	12 284
Loss for the period						
Loss for the period	-	-	-	-	(5 752)	(5 752)
Other comprehensive income						
Foreign currency translation differences	-	-	(3)	-	-	(3)
Total other comprehensive income	-	-	(3)	-	-	(3)
Total comprehensive income for the period attributable to owners of the company	-	-	(3)	-	(5 752)	(5 755)
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Share-based payment transactions	-	-	-	(1 858)	1 946	88
Total contributions by and distributions to owners for the period	-	-	-	(1 858)	1 946	88

Balance at 30 September 2012	1 133	45 724	(128)	1 879	(41 991)	6 617
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

US\$'000		Reviewed 6 months ended 30 September 2012	Reviewed 6 months ended 30 September 2011	Audited Year ended 31 March 2012
	Note			
Cash flows from operating activities				
Cash flows from operating activities	14.1	(1 057)	(1 044)	(1 980)
Finance income		-	-	-
Net cash used in operating activities		(1 057)	(1 044)	(1 980)
Cash flows from investing activities				
Additions to plant and equipment		-	-	(5)
Investment in jointly controlled asset	6	(226)	(1 543)	(1 928)
Net cash used in investing activities		(226)	(1 543)	(1 933)
Cash flows from financing activities				
Proceeds from issue of share capital	8	-	-	5
Net increase in cash and cash equivalents		(1 283)	(2 587)	(3 908)
Cash and cash equivalents at beginning of period		4 035	7 964	7 964
Effect of exchange rate fluctuations on cash held		21	(126)	(21)
Cash and cash equivalents at end of period		2 773	5 251	4 035

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting Entity

URU Metals Limited (the "Company"), formerly known as Niger Uranium limited, and before that UraMin Niger Limited was incorporated in the British Virgin Islands 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 Walkers Chambers, P.O. Box 92, Road Town, Tortola, British Virgin Islands. The condensed consolidated financial statements of the Group as at and for the six months ended 30 September 2012 comprises the results of the Company and its subsidiaries (together referred to as the "Group").

The Group is primarily involved in seeking out mining opportunities around the world as an active investor and project developer.

2. Basis of preparation

a) Statement of compliance

The condensed consolidated interim report has been prepared in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting*.

b) Basis of measurement

The condensed consolidated financial statements have been prepared on a historical cost basis except in previous periods where available-for-sale financial assets were measured at fair value.

c) Functional and presentation currency

Items included in the condensed consolidated financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). These condensed consolidated financial statements are presented in United States Dollars, which is the Company's functional and presentation currency. All financial information presented in United States Dollars has been rounded to the nearest thousand.

d) Use of estimates and judgements

The preparation of the condensed consolidated financial statements in conformity with International Financial Reporting Statements (IFRS) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The Group makes estimations and assumptions concerning the future. The resulting accounting estimates will by definition, rarely equal the related actual results.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant risk and effect on the carrying amounts recognised in the condensed consolidated financial statements within the next financial year, are included in the following notes:

Note 5 - Intangible assets and impairments

Note 9 - Measurement of share-based payment

3. Significant accounting policies

The accounting policies adopted are consistent with those described in the annual financial statements for the year ended 31 March 2012. With effect from 1 April 2012 the Group adopted IFRS 7 amendment *Disclosures – Transfers of Financial Assets* and IAS 1 *Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income*.

Amendment to IFRS 7 Financial Instruments: Disclosures

The amendment to IFRS 7 has been adopted by the first time for its financial reporting period ending 31 March 2013. In terms of the amendments additional disclosures will be provided regarding transfers of financial assets that are:

- not derecognised in their entirety and
- derecognised in their entirety but for which the Group retains continuing involvement.

The adoption of IFRS 7 has had no impact on the Group financial statements for the current reporting period.

Amendment to IAS 1 Presentation of Financial Statements

The amendment to IAS 1 has been adopted by the first time for its financial reporting period ending 31 March 2013. In terms of the amendment the Group presents those items of other comprehensive income that may be reclassified to profit or loss in the future separately from those that would never be reclassified to profit or loss. The related tax effects of the two sub-categories are to be shown separately. This is a change in presentation and will have no impact on the recognition or measurement of items in the financial statements. The amendment should be applied retrospectively and the comparative information will be restated.

The adoption of IAS 1 has had no impact on the Group financial statements for the current reporting period.

4. Segment information

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different services, and are managed separately because they require different strategies. For each of the strategic business units, the Group's CEO reviews internal management reports on at least a quarterly basis.

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

- *Exploration* Includes obtaining licenses 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 in 2012 or 2011.

There are varying levels of integration between the Exploration and Corporate Office reportable segments. This integration includes shared administration and procurement services. The accounting policies of the reportable segments are the same as described in notes 2 and 3.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Operating Segments

	Exploration			Corporate Office			Total		
	Reviewed	Reviewed	Audited	Reviewed	Reviewed	Audited	Reviewed	Reviewed	Audited
	30 Sept 2012	30 Sept 2011	31 March 2012	30 Sept 2012	30 Sept 2011	31 March 2012	30 Sept 2012	30 Sept 2011	31 March 2012
Depreciation	(3)	(11)	20	(24)	(27)	51	(27)	(38)	71
Loss before tax	(4 892)	(469)	(1 017)	(860)	(748)	(1 374)	(5 752)	(1 217)	(2 391)
Other material non-cash items									
- Share based payments expense	-	-	-	88	-	132	88	-	132
- Share based payments reversal on expiry	-	-	-	-	-	(21)	-	-	(21)
- Impairment of intangibles	(4 705)	-	-	-	-	-	(4 705)	-	-
Assets	38	4 804	4 759	6 820	8 733	7 847	6 858	13 537	12 606
Capital expenditure	-	-	(2)	-	-	(3)	-	-	(5)
Liabilities	(191)	(131)	(186)	(50)	(60)	(136)	(241)	(191)	(322)

Geographic information

For the period ended 30 September 2012, exploration activities were conducted in both South Africa and Niger and administration is conducted from the South African office. In presenting information based on the geographic information, segment assets are based on the geographical location of the assets.

US\$'000	Reviewed 6 months ended 30 September 2012		Reviewed 6 months ended 30 September 2011		Audited Year ended 31 March 2012	
	Revenue	Non-current assets	Revenue	Non-current assets	Revenues	Non-current assets
Niger	-	9	-	4 729	-	4 759

South Africa	-	3 959	-	3 393	-	3 718
	-	3 968	-	8 122	-	8 477

5. Intangible assets

US\$'000	Reviewed 6 months ended 30 September 2012	Reviewed 6 months ended 30 September 2011	Audited Year ended 31 March 2012
Balance at beginning of period	4 705	4 825	4 825
Amortisation and impairments	(4 705)	(120)	(120)
Balance at end of period	-	4 705	4 705

As reported at the prior year end, the Group considered that it has fully complied with its commitments under the terms of the licences that it currently holds and awaited the granting of an extension for the Irhazer and In Gall licences.

As a consequence of the delay in the granting of the extension and the deepening global economic crisis, management have impaired the cost of the licences.

The Group is reviewing the requirements of the licence financial commitments or may elect to forfeit any or all of the licences. The intangible assets will continue to be reviewed for impairment as described in the accounting policies.

The Irhazer and Ingall licences initially carried at a total acquisition cost of US\$ 4.705 million were registered in the name of NWT Uranium Corporation ("NWT"). The Kamas 1, Kamas 2, Kamas 3, Kamas 4, Dabala 3 and Dabala 4 licences initially carried at an acquisition cost of US\$ 120 000 were registered in the name of UraMin. In terms of the policy these licences have been impaired in full. All of the Niger exploration licences were acquired from NWT and UraMin Inc. in terms of the asset purchase agreement.

6. Investment in jointly controlled asset

US\$'000	Reviewed 6 months ended 30 September 2012		Reviewed 6 months ended 30 September 2011		Audited Year ended 31 March 2012	
	Non-current Asset	Ownership	Non-current asset	Ownership	Non-current asset	Ownership
Investment in Nickel Joint Venture	3 929	45%	3 318	45%	3 703	45%
Reconciliation of the movement in the Nickel Joint Venture						
Opening balance	3 318		1 775		1 775	

Increase in investment	611		1 543		1 928	
Balance at end of period	3 929		3 318		3 703	

On 5 October 2010, the Group announced that it had entered into a joint venture (the "Nickel Joint Venture") with Southern African Nickel ("SAN"), 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 Joint Venture of, in aggregate, up to US\$3.6 million over a period of 20 months from 5 October 2010.

As a consequence of the positive results from the drilling programme and the progress made in metallurgical testing phases, the Joint Venture partners have committed further funding of US\$ 685 000 in order to complete a Preliminary Economic Assessment study ("PEA") on the Zebediela Nickel Project and to continue with metallurgical testing of the Burgersfort Nickel Project mineralization.

Capital commitments in respect of the jointly controlled asset:

	Reviewed 6 months ended 30 September 2012		Reviewed 6 months ended 30 September 2011		Audited Year ended 31 March 2012	
	Total	URU Metals share	Total	URU Metals share	Total	URU Metals share
URU Metals incurred	-	-	282	282	450	206

On 6 April 2011 the Company announced the satisfactory and successful conclusion of all due diligence activities between SAN and Umnex Holdings 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 an addition to the portfolio of nickel assets held by the SAN-URU Metals exploration Joint Venture. The acquisition involved no additional cash consideration to be made by either the Company or SAN and did not increase the Company's original committed contribution to the Joint Venture of US\$3.6 million.

During the year ended 31 March 2012, URU Metals satisfied all its obligations under the Joint Venture Agreement and has a fully vested a 50 per cent. interest in the Nickel Joint Venture. As announced on 6 April 2011, the Joint Venture is seeking to continue the development of the Zebediela Nickel Project, Umnex Mineral Holdings (Pty) Ltd. ("Umnex"), the vendor of the Zebediela Nickel Project, will receive a direct interest in the Joint Venture from both Southern African Nickel and URU Metals, following which the effective interest of each party in the Joint Venture will be: URU Metals 45 per cent., Southern African Nickel 40 per cent. and Umnex 15 per cent.

On 6 August 2012 the Group announced that it had been notified by Southern Africa Nickel ("SAN"), a private South African Company and Umnex Mineral Holdings ("Umnex"), a South African Black Economic Empowerment ("BEE") Group, which is part of the Umbono Capital Group, its joint venture partners in the Zebediela Nickel Project, that they are serving a formal notice of arbitration against each other.

The dispute, in which both partners are citing a lack of performance in achieving deliverables under the SAN-Umnex joint venture agreement, is strictly between SAN and Umnex Mineral Holdings. URU is not a direct party to the dispute.

URU's interest in the Zebediela project has been vested through an agreement signed between SAN and URU (that pre-dates the SAN-Umnex agreement which is the subject of this dispute) under which URU would have first refusal over African nickel projects identified by SAN.

Over the past couple of weeks, URU's management has been actively talking with both SAN and Umnex to resolve the disputed issues, and to work towards a solution that is acceptable and equitable to all parties. Even though arbitration is proceeding, URU will continue to work with both parties to resolve the dispute and to move forward with the project's development as originally planned.

Should the arbitrator rule that Umnex is able to terminate the SAN-Umnex agreement due to non-compliance, Umnex may have the option to purchase 100% of the Zebediela project from SAN in exchange for cash equivalent to the entire expenditures incurred to date by URU and SAN. In that event, URU would recover all of the cash invested in the Zebediela project to date.

If the arbitrator rules in SAN's favour, the project will continue to be developed under the original agreement.

URU cannot provide guidance at this time as to when the arbitration proceedings will commence, and the timeframe under which one could expect a decision by the arbitrators.

The arbitration proceedings will certainly have an impact on the timelines for the completion of the Pre-Feasibility Study, as outlined in the Zebediela Preliminary Economic Assessment announced on 7 June 2012.

URU has retained legal counsel to guide and protect the Company's interest in the Zebediela project and will update the market in due course once further details of the arbitration proceedings become available.

At this stage, Management has not impaired the investment in the Nickel Project. Until such time as the Arbitration process is completed, the investment in the jointly controlled asset will continue to be reviewed for impairment as described in the accounting policies.

7. Receivables

US\$'000	Reviewed 6 months ended 30 September 2012	Reviewed 6 months ended 30 September 2011	Audited Year ended 31 March 2012
Deposits	26	88	28
Other prepayments	36	9	30
Other receivables	55	67	36
	117	164	94

8. Share capital and premium

Issued shares

All issued shares are fully paid up.

Unissued shares

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

9. Reserves

US\$'000	Note	Reviewed 6 months ended 30 September 2012	Reviewed 6 months ended 30 September 2011	Audited Year ended 31 March 2012
Foreign currency translation reserve		(128)	(121)	(125)
Share and warrant option reserve	10.1	1 879	3 626	3 737

		1 751	3 505	3 612
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9.1 Share and warrant option reserve

US\$'000				
The movement in the share and warrant option reserve is detailed below:		Share Options	Warrant options	Total
Balance at 1 April 2011 and 30 September 2011		3 576	50	3 626
Share and warrant option reversal on cancellation and expiry		(21)	-	(21)
Share and warrant option expense		132	-	132
Balance at 31 March 2012		3 687	50	3 737
Share and warrant option reversal on cancellation and expiry		(1 946)	-	(1 946)
Share and warrant option expense		88	-	88
Balance at 30 September 2012		1 829	50	1 879

Share Options

The Share Option Plan 2008 is administered by the Board of Directors, which determines individual eligibility under the plan the number of shares reserved for optioning to each individual. In the period ended 30 September 2012, no options were granted, whilst 2 502 400 options lapsed. No options were cancelled or forfeited.

During the year ended 31 March 2012, 1 850 000 options were granted, 1 500 000 options were forfeited and cancelled and 66 666 options were exercised.

Warrant Options

In the periods to 30 September 2011 and 2012, and the year ended 31 March 2012, no warrant options were issued nor did any lapse.

10. Operating loss

US\$'000		Reviewed 6 months ended 30 September 2012	Reviewed 6 months ended 30 September 2011	Audited Year ended 31 March 2012
The following items have been recognised in arriving at the operating loss for the period				
Auditors remuneration		48	50	78
Directors fees		22	135	188
Fees for services as director		22	28	47
Basic salary		-	93	127-
Expense allowance		-	14	14
Legal fees		61	11	26
Operating lease payments		33	51	100
Depreciation		27	38	71
Foreign exchange loss/(gain)				
realised		6	17	30
unrealised		(21)	126	21
Impairment of intangible assets (see note 5)		4 705	-	-
Salaries and wages		349	232	734
Share options expensed – directors (equity settled)		88	-	66
Share options expensed – staff (equity settled)		-	-	66
Share options reversal - directors		-	-	(21)

Staff cost – salaries		261	232	623
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11. Income tax expense and deferred taxation

No taxation has been provided due to calculated tax losses in the current and prior year in the jurisdictions in which it operates.

The British Virgin Islands under the IBC imposes no corporate or capital gains taxes. However the Company as a Group may be liable for taxes in the jurisdictions where it develops mining properties.

No deferred tax asset has been recognised because there is insufficient evidence of the timing of suitable future profits against which it can be recovered. No deferred tax liability has been recognised as a result of the losses in the periods to date.

12. Loss per share		Reviewed 6 months ended 30 September 2012	Reviewed 6 months ended 30 September 2011	Audited Year ended 31 March 2012
The basic loss per share is calculated using:				
Loss for the period (US\$'000)		(5 752)	(1 217)	(2 391)
Weighted average number of shares in issue		113 276 722	113 210 056	113 217 160
Basic loss per share (US cents)		(0.05)	(1.08)	(2.11)
Reconciliation of the weighted average number of ordinary shares in issue:				
Number of ordinary shares at beginning of the period		113 276 722	113 210 056	113 210 056
Exercise of options		-	-	7 104
		113 276 722	113 210 056	113 217 160
The diluted loss per share is calculated using:				
Loss for the period (US\$'000)		(5 752)	(1 217)	(2 391)
Reconciliation of the diluted weighted average ordinary shares in issue:				
Weighted average number of shares in issue and diluted number of ordinary shares		113 276 722	113 210 056	113 217 160
Diluted loss per share (US cents)		(0.05)	(1.08)	(2.11)

At 30 September 2012, 8 233 334 share options (31 March 2012 : 10 735 734 share options and 30 September 2011: 10 452 400 share options) and 100 000 warrant options (30 September 2012 and 2011:100 000) were excluded from the diluted weighted average number of ordinary shares calculations as their effect would be anti-dilutive.

The average market value of the Group's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

13. Contingent liabilities and commitments		Reviewed 6 months ended	Reviewed 6 months ended	Audited Year ended
US\$'000				

		30 September 2012	30 September 2011	31 March 2012
Operating lease commitments				
The future minimum lease payments under non-cancellable leases are:				
Less than 1 year		62	60	42
Later than 1 year but less than 5 years		10	76	68
		72	136	110

The operating lease commitments relate to a property leases in Sandton which commenced in December 2010. The lease expires in December 2013, with an option to negotiate an extension. The initial lease payment amounted to US\$ 4,916 per month and escalates at 8% per annum.

At 30 September 2012 there are no contingent liabilities.

14. Notes to the statement of cash flows

14.1 Cash flows from operating activities				
US\$'000		Reviewed 6 months ended 30 September 2012	Reviewed 6 months ended 30 September 2011	Audited Year ended 31 March 2012
Loss before income tax		(5 752)	(1 217)	(2 391)
Adjusted for:				
- Depreciation		27	38	71
- Share-based payments expense		88	-	132
- Share based payments expense reversal on expiry		-	-	(21)
Impairment of intangible assets		4 705	-	-
Unrealised foreign exchange (gain)/loss		(21)	126	21
		(953)	(1 053)	(2 188)
Movements in working capital:				
(Increase)/decrease in receivables		(23)	11	80
Increase/(decrease) in trade and other payables		(81)	(2)	128
Cash flows from operating activities		(1 057)	(1 044)	(1 980)

15. Related parties

(i) Subsidiaries

The Group financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policies described in note 1:

		Reviewed As at 30 September 2012	Reviewed As at 30 September 2011	Audited As at 31 March 2012
Niger Uranium S.A.	Niger	100	100	100
URU (Management) Limited*	British Virgin Islands	100	100	100
URU (Africa) Limited*	British Virgin Islands	100	100	100
Namaqua Uranium (Proprietary) Limited*	Namibia	100	100	100
URU Metals (Zambia) Ltd*	Zambia	100	100	100
*- dormant				

(ii) Transactions with key management personnel

No share options were issued in the period to 30 September 2011 and 2012. During the period to 31 March 2012, 1 850 000 share options were issued to directors and employees of the Company. The options were granted under recommendation of the Remuneration Committee and were granted at an exercise price of £0.07 each.

No warrant options were issued, exercised or cancelled in the periods ending 30 September 2011 and 2012 or 31 March 2012.

The following transactions were carried out with related parties:

(iii) Directors remuneration

	Fees for services as director	Basic salary	Expense allowance	Share- based payment expense	Total
Total for the period ended 30 September 2012	22	-	-	88	110
Total for the year ended 31 March 2012	47	127	14	58	246
Total for the year ended 30 September 2011	28	93	14	-	135

16. Events after the Reporting Date

(i) Result of Annual General Meeting

On 29 October 2012, The Group announced that it had held its Annual General Meeting on 26 October 2012 and was pleased to confirm that all resolutions proposed to shareholders were duly passed.

(ii) Appointment of Nominated Advisor and Joint Broker

Also on 29 October 2012, the Group announced that it has appointed S.P.Angel Corporate Finance LLP as its Nominated Adviser and joint broker with immediate effect.

Forward-Looking Statements:

This press release contains statements that are 'forward-looking'. Generally, the words 'expect,' 'intend,' 'estimate,' 'will' and similar expressions identify forward-looking statements. By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties that may cause our actual results, performance or achievements, or that of our industry, to differ materially from those expressed or implied in any of our forward-looking statements. Statements in this press release regarding the Company's business or proposed business, which are not historical facts, are 'forward looking' statements that involve risks and uncertainties, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

These forward-looking statements speak only as of the date they are made.

