

URU Metals Limited

Issue of Equity

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

Zebediela Project Update - Issue of Equity -

URU Metals Limited (AIM:URU), the base metals and uranium explorer and development Company, today announces that it has issued 16,630,285 new shares (the "Deferred Consideration Shares") to Umbono Capital Group as part of the second tranche of consideration shares for the acquisition of Umnex Minerals Limpopo (Pty) Ltd ("UML"), giving it 100 per cent. ownership of UML.

As per the terms of the agreement announced on 11th April 2014, the Deferred Consideration Shares are subject to a lock-in agreement under which 3,326,057 shares will be released from lock-in at quarterly intervals.

Commenting on the final stage of the company's acquisition of UML and the Zebediela project, David Subotic, Chairman of URU Metals said:

"I am absolutely delighted to be able to say that we have finally met all our commitments in the acquisition of the Zebediela nickel project in South Africa and now own 100 per cent of this significant sulphide resource project.

This is a sulphide nickel project with combined and inferred indicated resources of 1.5 billion tonnes containing 37Mt of nickel which has the potential to become one of the world's largest nickel producers. With the nickel price at a 14 month high it is a great time to own a project like Zebediela."

Application will be made to the London Stock Exchange for the Deferred Consideration Shares to commence trading on AIM. A further announcement regarding admission and total voting rights thereafter will be made in due

course.

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Notes to Editors

Background information on the Zebediela Nickel Projects

The Zebediela Nickel Project is located in the Limpopo Province of South Africa close to the platinum mining town of Mokopane, very close to existing rail, highway, and electrical power infrastructure.

The Zebediela Nickel Project is a large disseminated sulphide resource with mining engineering aspects similar to porphyry copper deposits in terms of size and grade. The NI 43-101-compliant PEA led by the MSA Group outlined indicated resources of 485.4 million tonnes averaging 0.245% nickel, and additional inferred resources of 1,115.1 million tonnes of 0.248% nickel. The Zebediela Project also contains significant iron minerals in the form of magnetite that is also being investigated as a potential by-product.

The PEA considered the mining and milling of only 500 million tonnes of mineralized material in an open pit mine approximately 1700 m long by 880 m wide by 250 m deep. The proposed mining rate is 20 million tonnes per annum using a contractor mining fleet. The strip ratio was calculated to be 0.36:1.

Extensive work was conducted on the Zebediela deposit metallurgy indicating that 50% of the total contained nickel could be recovered into a high quality saleable nickel concentrate averaging 16% Ni. Start-up capital expenditures including contingencies and working capital are estimated to be \$650 million and sustaining capital is estimated at \$58 million over the life of the mine. Operating expenditures are estimated to be \$3.35 per pound of recoverable nickel.

The PEA projects a pre-tax and pre-royalty net present value of \$1,018 million, an internal rate of return of 25.7% and a 3.8 year payback period at an 8% discount rate using a nickel price of \$8.50/lb and a ZAR/USD ratio of 8.1. Annual cash flow is project to be \$203 million.

URU is aware of the potential value of a magnetite as an iron concentrate by-product at Zebediela since the inception of the project. Metallurgical work investigating by-product magnetite was included in the scope of the PEA investigations, but due to analytical delays, any potential economic impact from iron by-product was not included in the report.

About URU Metals

URU Metals is an AIM listed base metals explorer and development Company. The Company has a diverse portfolio of assets which includes, the Zebediela Project in South Africa, with combined inferred and indicated resources of over 1.5 billion tonnes of nickel resources. The Närke Oil/ Uranium Project in Sweden which is 100 per cent owned by URU Metals following the purchase of the entire issued share capital of Svenska Skifferoljeaktiebolaget ("SSOAB") from the vendor Global Hydrocarbons Limited ("GHL"), for a maximum total consideration of \$1.078 million in June 2013. A drilling plan to verify historical data is planned in 2014. As well as the Nueltin Gold-Uranium Project in Canada. URU Metals has an exclusive option agreement with Cameco Corporation ("Cameco"), one of the world's largest uranium companies, to earn a majority interest in Nueltin Lake Gold-Uranium Project ('the Project'), in the Kivalliq Region of the Territory of Nunavut, Canada.due to start Q2 2014.

This information is provided by RNS
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