



**ZEB NICKEL COMPANY**  
(DBA Zebediela Nickel Company (Pty) Ltd)

Condensed Interim Consolidated Financial  
Statements for the six month period ended  
June 30, 2021

(Unaudited – Prepared by Management)

(Notice to Reader - the Company's  
independent auditors have not performed a  
review of these Condensed Interim  
Consolidated Financial Statements)

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**Zeb Nickel Company (dba Zebediela Nickel Company (Pty) Ltd)**  
**Condensed Interim Consolidated Statement of Comprehensive Income**  
**For the Six Months Ended 30 June 2021**  
**(Unaudited)**

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	<b>\$'000</b>
Administrative expenses	(20)
<b>Total loss and comprehensive loss for the period</b>	<b>(20)</b>

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

**Zeb Nickel Company (dba Zebediela Nickel Company (Pty) Ltd)**  
**Condensed Interim Consolidated Statement of Financial Position**  
**As at 30 June 2021**  
**(Unaudited)**

	As at 30 June 2021 \$'000	As at 31 December 2020 \$'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets (note 5)	3,250	3,226
<b>Total non-current assets</b>	<b>3,250</b>	<b>3,226</b>
<b>Total assets</b>	<b>3,250</b>	<b>3,226</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital (note 7)	-	-
Share premium (note 8)	3,136	3,136
Accumulated deficit	(807)	(787)
<b>Total equity</b>	<b>2,329</b>	<b>2,366</b>
<b>Current liabilities</b>		
Trade and other payables (note 6)	921	877
<b>Total liabilities</b>	<b>921</b>	<b>877</b>
<b>Total equity and liabilities</b>	<b>3,250</b>	<b>3,226</b>

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

**Approved on behalf of the Board on 25 August 2021:**

Richard Montjoie, Executive Chairman

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**Zeb Nickel Company (dba Zebediela Nickel Company (Pty) Ltd)**  
**Condensed Interim Consolidated Statement of Cash Flows**  
**For the Three Months Ended 30 June 2021**  
**(Unaudited)**

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	<b>\$'000</b>
<b>Cash flows from operating activities</b>	
Net loss for the period	(20)
Adjustments for:	
Changes in non-cash working capital items:	
Increase in trade and other payables	20
<b>Net cash used in operating activities</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>-</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>-</b>
<b>Cash and cash equivalents, end of period</b>	<b>-</b>

All of the Group's transactions in the period were non-cash transactions.

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

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**Zeb Nickel Company (dba Zebediela Nickel Company (Pty) Ltd)**  
**Condensed Interim Consolidated Statement of Changes in Shareholders' Equity**  
**For the Three Months Ended 30 June 2021**  
**(Unaudited)**

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**Equity attributable to shareholders**

	Share Capital \$'000	Share premium \$'000	Accumulated Deficit \$'000	Total \$'000
<b>At 6 November 2020</b> (date of incorporation)	-		-	-
Shares issued on incorporation	-	3,136	-	3,136
Net loss and comprehensive loss for the period	-		(787)	(787)
<b>At 31 December 2020</b>	-	3,136	(787)	2,349
Net loss and comprehensive loss for the period	-	-	(20)	(20)
<b>As at 30 June 2021</b>	-	3,136	(807)	(2,329)

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

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**Zeb Nickel Company (dba Zebediela Nickel Company (Pty) Ltd)**  
**Notes to the Consolidated Financial Statements**  
**For the Six Months Ended 30 June 2021**  
**(Unaudited)**

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**1. General information**

Zeb Nickel Company (dba Zebediela Nickel Company (Pty) Ltd) (“Zeb Nickel” or the “Company” or the “Group”), was incorporated in South Africa on 6 November 2020. The address of the Company’s registered office is 21 Fourth Avenue Houghton, Johannesburg, Gauteng, South Africa, 2196.

On 7 January 2021 the Company’s parent undertaking URU signed a Letter of Intent with Blue Rhino Capital Corp. a Toronto listed entity whereby Blue Rhino Capital Corp. proposes to acquire all of the issued and outstanding share capital of Zebediela Nickel in exchange for URU acquiring a 74.82% shareholding in Blue Rhino Capital Corp.

The terms of the Letter of Intent were subsequently confirmed by the signing of a Sale Agreement between URU and Blue Rhino Capital Corp. on 2 March 2021.

Pursuant to the terms of the Sale Agreement Blue Rhino Capital Corp. has completed the offering of 11,200,000 subscription receipts, at a price of Canadian \$0.25 per receipt, for gross proceeds of Canadian \$2,800,000.

Pursuant to the terms of the Sale Agreement, it is contemplated that Blue Rhino Capital Corp. will consolidate its share capital on a 2.3-for-1 basis (the "Consolidation"), following which it will issue 41,000,000 post-Consolidation common shares (the "Consideration Shares") to URU in consideration for all of the outstanding share capital of Zebediela Nickel.

Blue Rhino Capital Corp. will also assume all ongoing liabilities and obligations of Zebediela Nickel, which will include a 2.5% royalty on all revenue generated from Zebediela Nickel’s project in South Africa (the "Royalty"). One percent of the Royalty can be purchased for a one-time cash payment of US\$2,000,000 within 24 months of the granting of the mining right over the project.

**2. Nature of operations**

The Company’s principal business activities were the exploration and development of mineral properties in South Africa.

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

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

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

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**Zeb Nickel Company (dba Zebediela Nickel Company (Pty) Ltd)**  
**Notes to the Consolidated Financial Statements**  
**For the Six Months Ended 30 June 2021**  
**(Unaudited)**

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**3. Basis of preparation**

The condensed consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations. The Group has consistently applied the accounting policies detailed below in the period presented.

The condensed consolidated financial statements have been prepared on a historical cost basis and presented in US Dollars rounded to the nearest thousand.

Items included in the condensed consolidated financial statements for 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”). Similarly, the Group reports its results in a specified currency (the “presentation currency”). The functional currencies of the Company and its subsidiaries are set out in the table below:

Zebediela Nickel Company (Pty) Ltd	USD
Umnex Minerals Limpopo Pty (“UML”)	USD
Lesogo Platinum Uitloop Pty (“LPU”)	USD

Both of the Company’s subsidiaries were dormant in the year.

In accordance with IAS 21, Effects of Changes in Foreign Exchange Rates (“IAS 21”), the Company’s entities and operations whose functional currencies differ from the presentation currency are translated into US dollars.

- Monetary assets and liabilities are translated at the closing rate as at the date of the statement of financial position;
- Income and expenses are translated at the average rate of exchange for the reporting period;
- Equity balances are initially translated at closing exchange rates and subsequent balances are translated at historical rates; and
- Translation gains and losses are recognised in consolidated other comprehensive income and are reported as such in accumulated other comprehensive income.

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**Notes to the Consolidated Financial Statements**  
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**(Unaudited)**

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#### **4. Earnings per Share**

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

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

	<b>As at 30 June 2021 \$'000</b>
Loss used in calculating basic and diluted earnings per share (US dollars)	(20)
<b>Number of shares</b>	
Weighted average number of shares for the purpose of basic earnings per share	120
Weighted average number of shares for the purpose of diluted earnings per share	120
Basic loss per share (US dollars)	(166.66)
Diluted loss per share (US dollars)	(166.66)

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**Notes to the Consolidated Financial Statements**  
**For the Six Months Ended 30 June 2021**  
**(Unaudited)**

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**5. Intangible assets**

*Exploration costs*

	<b>\$'000</b>
At 6 November 2020	-
Transfer from group undertakings	3,136
Addition	90
At 31 December 2020 and 30 June 2021	<b>3,226</b>

The Zebediela Nickel Project extends over three separate adjacent prospecting rights in the Limpopo Province of South Africa. All three rights are now held by Lesogo Platinum Uitloop Pty ("LPU"), which is 100% owned by UML.

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

Under the terms of the acquisition agreement, UML is permitted to return the shares and take back the licences should the Group:

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

As at 31 December 2020 and 30 June 2021, the "general and project expenditure obligations" and the "minimum statutory expenditure obligations" of the general and project expenditure obligations had not been determined.

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

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

On 18 January 2021 the DMRE formally acknowledged receipt of the EIA which was formally submitted on 15 January 2021.

**Zeb Nickel Company (dba Zebediela Nickel Company (Pty) Ltd)**  
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**(Unaudited)**

**6. Trade and other payables**

	<b>As at 30 June 2021 \$'000</b>	<b>As at 31 December 2020 \$'000</b>
Amounts due to group undertakings	884	860
Other payables	37	17
<b>Total</b>	<b>921</b>	<b>877</b>

The amounts due to group undertakings are due to the Company's parent undertaking URU Metals Limited. The balance is interest free, unsecured and repayable on demand.

**7. Share capital**

	<b>Number of shares</b>	<b>Share capital \$'000</b>
At 6 November 2020 and 31 December 2020 and 30 April 2021	120	-

*Issued shares*

All issued shares are fully paid up. 120 ordinary shares of one Rand each were issued on incorporation.

Authorised: 1,000,000 of common shares. There are no preferences or restrictions attached to any classes of common shares.

*Dividends*

Dividends declared and paid by the Group were \$nil for the period ended 30 April 2021.

**8. Share premium**

	<b>As at 30 April 2021 \$'000</b>	<b>As at 31 December 2020 \$'000</b>
Share premium	3,136	3,136

The above premium arises on the issue of 120 ordinary shares on incorporation as detailed in note 7.

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**Zeb Nickel Company (dba Zebediela Nickel Company (Pty) Ltd)**  
**Notes to the Consolidated Financial Statements**  
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**(Unaudited)**

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**9. Related party transactions**

*(a) Transactions with related party*

On 6 November 2020, the parent company of Zebediela Nickel, URU transferred its shares in UML to the Company for 120 Ordinary shares of the Company.

On 5 December 2020 signed an Agreement for Services with URU and incurred \$770,000 (Canadian \$980,000) consulting fees payable to URU under that agreement. During the year 31 December 2020 URU paid \$14,000 on behalf of Zebediela Nickel for expenditures on intangible assets. As at 30 June 2021, the total amount payable to URU was \$884,000 (31 December 2020 - \$860,000).

*(b) Management remuneration*

The Company had no compensation to management during the period ended 30 June 2021 and 31 December 2020.

**10. Contingent liabilities**

The Group is subject to the conditional consideration in respect of the acquisition of UML as detailed in note 5.

**11. Ultimate parent undertaking**

The ultimate parent undertaking is URU Metals Limited, a company incorporated in the British Virgin Islands ('BVI') on 21 May 2007.