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URA Holdings plc
("URA" or the "Company")

Positive Results from Financial Model for the Gravelotte Emerald Mine

URA Holdings Plc ("URA" or the "Company") is pleased to announce the results of an independent desk-based review of the Discounted Cashflow (DCF) model for the Gravelotte Emerald Mine (GEM) in South Africa, conducted by ACA Howe International Limited. This review is based on ACA Howe's extensive experience with the Gravelotte Emerald Mine, including their historical work, site visits, and Mineral Resource Estimation reported in accordance with the JORC code in the 2023 Competent Person's Report (CPR). The review highlights the potential profitability of the project over a 17-year mine life.

Highlights:

- **Net Present Value (NPV) before tax at 10% Discount Rate of USD 22.39 million**
- **Internal Rate of Return (IRR) of 76%**
 - **Project turns profitable from year 2 of operations**
 - **Average Total Operating Cost per Tonne of USD 54.70 /t**
 - **Capital Expenditure (CapEx), excluding Sustaining CapEx: USD 2.58 million**
- **Operating Expenditure (OpEx): USD 67.28 million over Life of Mine (LOM)**
- **Life of Mine (LOM): 17 years**
- **Total Payable Ore: 1.23 million tonnes**
- **Average Annual Production: Ramping up to 90,000 tonnes per annum over 6 years**
 - **Estimated total Profit before Tax over LOM: \$79.5 million**
 - **Payback Period: 2.5 years**

Bernard Olivier, CEO of URA Holdings Plc, commented: "We are extremely encouraged by the results of the ACA Howe review, which confirms the potential robust economics of the Gravelotte Emerald Mine. The high IRR and positive NPV underscore the significant potential value this project can bring to our shareholders. With the

initial production startup capital expenditure already completed, and the mine now back in production, we are well-positioned to advance this project and capitalize on the opportunities it presents. The model is based on our current Inferred JORC resource of 29m carats and an allowance for a small portion of the JORC Exploration Targets (up to 344 million carats) that are below the Inferred Resources to be upgraded and mined in years 14 to 17 of production, based on the significant exploration that is planned. Our experienced team is committed to executing our strategy and delivering long-term value. We also look forward to updating the market and our shareholders further on our ongoing operational activities shortly."

The ACA Howe review involved an assessment of the mining and processing estimates used in URA's DCF model. The review verified that the accuracy of the input data is reasonable given the level of planning completed to date and ensured that the proposed mining method and processing flowsheet are suitable for the deposit. Key factors such as mining costs, processing costs, and the overall economic assumptions were evaluated to ensure the reliability of the model. It is noted that more detailed planning would be required for the completion of a Scoping Study.

Additional Info:

Key Assumptions and Parameters:

The model incorporates conservative assumptions and considers a range of sensitivities to ensure the robustness of the projections.

- **Discount Rate:** 10%
- **Exchange Rate:** USD to ZAR 1:18
- **Strip Ratio:** 1:1 (adjusted to 2:1 in sensitivity analysis)
- **Mining Method:** Conventional open pit mining
 - **Processing Method:** Crushing & Screening circuit linked to optical sorter and associated equipment.
 - **Selling Price:** Historical price per carat typically varied between USD 0.1 and USD25 per carat but high-quality stones can exceed USD250 per carat. A conservative average of USD5 per carat was used in the DCF model.
 - **Grade:** 6.1 grams / tonne (Cobra and Discovery weighted average) as per the Inferred Mineral Resources reported in accordance with the JORC code in the 2023 CPR.

Net Present Value (NPV) Sensitivity Analysis:

- **At 8% Discount Rate:** USD 26.64 million
- **At 9% Discount Rate:** USD 24.40 million
 - **At 10% Discount Rate:** USD 22.38 million
- **At 11% Discount Rate:** USD 20.58 million

Operational Summary:

The operational plan is designed to optimize both the mining and processing phases, ensuring maximum recovery and minimal environmental impact. Key components include:

- **Mining Schedule:** Gradual increase from 30,000 tonnes per annum to a steady state of 90,000 tonnes per annum over 6 years
- **Mining Cost:** USD 6.67 per tonne mined (steady state cost in year 7)
 - **Processing Infrastructure:** Includes a Hadfield jaw crusher, vibrating screens, trommel, and Angelon optical colour sorter.
- **Total Operating Cost per Tonne of ROM:** USD 54.70
- **Security Measures:** Extensive security protocols to mitigate the risk of gemstone theft.

Capital Expenditure Breakdown over LOM:

- **Initial startup CapEx:** USD 838,465 (already incurred)

- **Total remaining CapEx over LOM:** USD 2.58 million
 - **Key CapEx Components:** Processing plant including colour sorters, electrical infrastructure, water infrastructure, and security infrastructure

Operating Expenditure Breakdown over LOM:

- **Mining:** USD 24.6 million (36.6% of total OpEx)
- **General Costs (including processing and security):** USD 19.91 million (29.6% of total OpEx)
- **Marketing:** USD 8.36 million (12.4% of total OpEx)
- **Other Costs (exploration, management, labour):** USD 14.40 million (21.4% of total OpEx)

Average LOM Costs:

- **Average Mining Cost per Tonne:** USD 20.00
- **Average General Cost per Tonne:** USD 16.19
- **Average Marketing Cost per Tonne:** USD 6.80
- **Average Other costs per tonne:** USD 11.7
- **Average Total Operating Cost per Tonne:** USD 54.70

2. Geological Setting

2.1 Regional Geology

The GEM is situated in the Limpopo Belt, a geologically complex region characterized by high-grade metamorphic rocks and intrusive granitic bodies. The emeralds at GEM are primarily found in biotite schist, which is part of the Gravelotte Formation. This formation is intruded by granitic rocks of the Germania Hill Complex, which play a crucial role in the mineralization process.

2.2 Local Geology

The emerald-bearing zones are located in the Cobra and Discovery pits. These zones are associated with reaction zones between biotite schist and intrusive granitic bodies, and sometimes within fractures and micro-fractures within the schist.

3. Resource Estimates

The financial model is based on the current JORC Inferred Resource totalling 29m carats (year 1-14), plus approximately 8.5 million carats of JORC Exploration Target material from beneath the Inferred Resources (year 14-17) (Section 4). The economics are subject to change as more detailed work is completed and are based on Inferred Mineral Resources and Exploration Targets that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results reported will be realized. More detailed planning would be required for the completion of a Scoping Study.

The Mineral Resources have been reported in accordance with the guidelines of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)" ("JORC Code").

The Mineral Resource statement for Gravelotte is presented in Table 1 below. The estimate is in respect of *in situ* material.

Table 1: Inferred Mineral Resource estimate for the GEM emerald deposit					
Deposit Zone	Category	Tonnage (million tonnes) Emerald-Bearing Schist	Grade (g/t)	Emerald Tonnes ⁸	Emerald Carats (million carats) ⁸
Cobra	Inferred	1.2	6.4	3.9	19.4
Discovery	Inferred	0.7	5.7	1.9	9.6
Total	Inferred	1.9		5.8	29.0

Notes:

1. Mineral Resources were estimated using the definitions and guidelines of the JORC Code.
2. Assigned grades are derived from limited historical production and bulk sampling.
3. Tonnages are derived from modelling of interpreted emerald-bearing schist based on historical drilling. A payability factor has been applied as acknowledgement that it has not been possible to model controls on mineralisation within the schist due to limited data.
4. Both the estimates for Cobra and Discovery have been depleted by an approximate tonnage based on historical information and limited historical records.
5. Inferred Mineral Resources have a large degree of uncertainty as to their existence and whether they can be mined economically. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
6. The quantity and grade of reported Inferred Mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.
7. A bulk density of 2.7 g/cm³ was used for the modelled emerald-bearing schist. The value used is based on the figure used by previous owners and assessment of lithologies intersected in drilling.
8. The measure in Emerald Tonnes and Emerald Carats reflects the quantity after applying a 50% payability.

4. JORC Exploration Targets

The financial model assumes the conversion of approximately 8.5 million carats from the Cobra Pit and Discovery Main Exploration Targets, which are beneath the Inferred Mineral Resources described in Section 3. For the purposes of the financial model, URA has assumed that it will be possible to upgrade the Cobra Pit and Discovery Main Exploration Targets (years 14-17 in the DCF model), to Mineral Resources with additional exploration beneath the current Resource areas. However, it is not certain that this outcome will be achieved.

The remainder of the Cobra Pit and Discovery Main Exploration Targets, as well as the other Exploration Targets, as detailed in Table 2 below, are excluded from the financial model and represent further upside potential.

Exploration Targets are reported in accordance with Section 18 of the JORC Code and the following should be noted:

- Exploration Targets must be expressed so that it cannot be misrepresented or misconstrued as an estimate of Mineral Resources or Ore Reserves;
- any statement referring to potential quantity and grade of the target must be expressed in ranges
- potential quantity and grade as reported in respect of the Exploration Targets are conceptual in nature;
- for these additional areas, there has been insufficient exploration to define a Mineral Resource; and
- it is uncertain if further exploration (as planned by the Company) will result in the determination of a Mineral Resource.

There is significant uncertainty implicit in the estimation of an Exploration Target as defined within the JORC Code. The JORC Code definition of an Exploration Target is as follows:

"An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource."

The JORC Exploration Targets (See Table 2 below) are all areas where the current database for the GEM property indicates that there is geological continuity with adjacent Mulati Formation ("MF") emerald-bearing schists. Modelling of potential emerald-bearing schist is based on the following:

- Drilling and interpreted geological continuity beneath Inferred Mineral Resources - Cobra Pit, Discovery Main.
- Historical mining and interpreted geological continuity beneath Cobra South pit - Cobra South.
- Drilling and interpreted geological continuity along strike from Inferred Mineral Resources - Cobra Far North, Discovery West, Cobra South-Discovery West.
- Other areas assessed by historical drilling but not along strike of Inferred Mineral Resources - Discovery South, Discovery North, Discovery Hill.

Table 2: JORC Exploration Target mineralisation for the GEM						
Exploration Target	Tonnage Range		Grade		Emerald Content	
	(MT)		(g/t)		Million carats	
	Min	Max	Min	Max	Min	Max
Cobra Pit	0.6	0.8	4.8	8	14	32
Cobra Pit Far North	0.7	0.9	4.8	8	17	36
Cobra Pit South	0.4	0.5	4.8	8	10	20
Discovery Main	0.4	0.5	4.5	7	9	18
Discovery West	0.35	0.45	4.5	7	8	16
Discovery North	0.5	0.7	4.5	7	11	25
Discovery South	0.4	0.5	4.5	7	9	18
Discovery Hill	3.3	4	4.5	7	74	140
Cobra S & Discovery West	0.3	0.4	4.5	7	7	14
Sable Kop	0.1	0.2	4.5	7	2	7
Beryl Kop East	0.2	0.3	2.2	5	2	8
Beryl Kop West	0.4	0.5	2.2	5	4	13
Total carats (million)					168	344

Notes:

1. Exploration Targets are conceptual in nature and are not Mineral Resources.
2. The tonnage, grade and content ranges as presented are meant to impart the conceptual nature of the Exploration Target in line with the JORC Code.
3. Exploration Targets were estimated using the definitions and guidelines of the JORC Code.
4. An Exploration Target is material that has a reasonable degree of geological confidence but for which there is insufficient exploration to define a Mineral Resource. It is not certain that further exploration will result in the target being delineated as a Mineral Resource.
5. Assigned grades are derived from limited historical production and bulk sampling.

6. *Tonnages are derived from modelling of interpreted emerald-bearing schist based on historical drilling. A payability factor has been applied as acknowledgement that it has not been possible to model controls on mineralisation within the schist due to limited data.*

5. Mining and Processing

5.1 Mining Method

Mining at GEM will be conducted using conventional open pit methods, including drilling, blasting, loading, and hauling with hydraulic excavators and articulated dump trucks. The mining schedule is designed to ramp up production from 30,000 tonnes per annum (tpa) in the first two years to a steady state of 90,000 tpa by year seven.

5.2 Processing Plant

The processing plant at GEM includes a jaw crusher, vibrating screens, trommel, and an Angelon CCD colour sorter. The plant is designed to maximize recovery while minimizing damage to the emeralds. The processing flow involves crushing, screening, and sorting, followed by secure storage of the emerald concentrate.

6. Sensitivity Analysis

The sensitivity analysis demonstrates that the project is most sensitive to changes in the selling price, grade, and recovery of emeralds. Variations in operating and capital costs have a less significant impact on the overall NPV.

6.1 Key Sensitivities

- **Selling Price:** A 15% increase in selling price results in an NPV of USD 30.84 million, while a 15% decrease reduces the NPV to USD 13.94 million.
- **Output:** A 15% increase in output results in an NPV of USD 27.91 million, while a 15% decrease reduces the NPV to USD 16.87 million.
- **Operating Costs:** A 15% increase in operating costs reduces the NPV to USD 16.98 million, while a 15% decrease increases the NPV to USD 27.80 million.

7. Risks and Mitigation

7.1 Key Risks

- **Geological Uncertainty:** The inferred resource estimates are based on historical data, which introduces uncertainty in the grade and distribution of emeralds.
- **Selling Price:** URA has not commissioned an independent stone valuation and historical values have been used.
- **Security:** Gemstone theft is a significant risk. URA has implemented extensive security measures to mitigate this risk.
- **Market Volatility:** The price of emeralds can be volatile, impacting the project's financial performance.

7.2 Mitigation Strategies

- **Exploration:** Continued exploration to upgrade Inferred Resources to Measured and Indicated categories. Additional exploration is planned to further assess the potential of the Exploration Targets.

- **Selling Price:** An independent valuation will be completed when sufficient stones are available from the early stages of mining.
- **Security Measures:** Implementation of advanced security protocols and continuous monitoring.
- **Market Analysis:** Regular market analysis to adjust the selling price and optimize sales strategies.

8. Conclusion

The GEM project demonstrates strong financial potential with a significant NPV and IRR. The review by ACA Howe confirms the potential profitability of the project.

9. Cautionary Disclosures

- The financial model is based on Inferred Mineral Resources (year 1-14) and Exploration Targets (year 14-17) that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as Mineral Reserves, and there is no certainty that the results reported will be realised. For the purposes of the financial model, URA has assumed that it will be possible to upgrade the Cobra Pit and Discovery Main Exploration Targets (years 14-17 in the DCF model), to Mineral Resources with additional exploration beneath the current Resource areas. However, it is not certain that this outcome will be achieved.
- Note that Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability, and no Mineral Reserves have been reported for the Gravelotte Emerald Mine. Scoping, Pre-Feasibility and Feasibility studies have not been completed and the economic forecasts herein should be viewed as indicative, based on the information currently available. The economics are subject to change once more detailed studies are completed.
- The JORC code states that caution should be exercised if Inferred Mineral Resources are used to support technical and economic studies.
- Mineral Resources and Exploration Targets - see sections 3 and 4 above.
- Mining - detailed mine planning has not been completed and ACA Howe has relied on CapEx and OpEx estimates based on quotes from suppliers and local knowledge, provided by URA. ACA Howe considers the mining method, proposed equipment, estimated CapEx and OpEx, and annual tonnages included in the DCF to be reasonable. CapEx and OpEx estimates are subject to change as more detailed planning is completed.
- Processing - the encouraging testwork completed to date using the optical sorter has been in laboratory conditions only. ACA Howe has relied on CapEx and OpEx estimates based on quotes from suppliers and local knowledge. ACA Howe considers the proposed process flowsheet, associated CapEx and OpEx, and throughput included in the DCF to be reasonable. CapEx and OpEx estimates are subject to change as more detailed planning is completed.
- Selling Price - URA has not commissioned an independent stone valuation and historical values have been used. ACA Howe are not gemstone market experts and have not verified the valuation applied in the financial model. The value per carat will be assessed by an independent expert when sufficient stones are available from the early stages of mining.

Competent Person's Statement

The information contained in this announcement relates to an independent desk-based review of the Financial and Discounted Cashflow Model prepared by the Company. ACA Howe Associates Richard Hope and Roy Spencer have reviewed the mining and processing inputs to the model and are Competent Persons as defined by the JORC Code. Messrs Hope and Spencer have sufficient experience relevant to the style of mineralisation, basis of assumptions and type of deposit under consideration, and to the activity being undertaken, to qualify as Competent Persons. Winsor Lewis has reviewed URA's DCF model and reported results as appropriate. He is a finance professional with extensive experience in the economic analysis of mining projects. He is not a Competent Person as defined by the JORC Code as he does not have a geoscience or engineering background. Messrs Lewis, Hope and Spencer are not gemstone market experts and have not verified the stone value applied in the financial model.

Messrs Lewis, Hope and Spencer have reviewed and approved the information in this announcement.

For the purposes of UK MAR, the person responsible for arranging the release of this announcement on behalf of URA is Dr Bernard Olivier, Chief Executive Officer of URA Holdings Plc.

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About URA Holdings Plc

URA Holdings Plc is a pioneering mining company dedicated to restart and rebuild the Gravelotte Emerald Mine (GEM), a historic emerald mine located in South Africa. With a legacy of being one of the world's largest emerald producers, GEM has reawakened under our stewardship, marking the beginning of a new chapter in its storied history.

At URA Holdings Plc, we are committed to sustainable and responsible mining practices that prioritize environmental conservation, community development, and ethical sourcing. Our modern mining techniques and advanced technologies ensure efficient operations while minimizing ecological impact and upholding the highest standards of workplace safety.

We are proud to announce the commencement of emerald production at GEM, a significant milestone in our journey towards revitalizing this iconic mine. Our ethically mined emeralds are extracted and processed with integrity and transparency, adhering to strict ethical standards and fair labor practices. By prioritizing ethical mining practices, we strive to foster a positive impact on the local communities and environment surrounding our operations.

For more information about URA Holdings Plc, including updates on emerald production, corporate news, and our commitment to ethical mining, please visit our website at www.uraholdingsplc.co.uk or connect with us through our social media channels:

- X (formally known as Twitter): [@ura_plc](https://twitter.com/ura_plc)

Join us as we lead the way in sustainable mining practices and ethically sourced gemstones, paving the path for a brighter and more responsible future in the gemstone mining industry.

Note to Editors:

ACA Howe International Limited is a leading independent geological and mining consultancy, providing services to the global mining industry for over 40 years. The firm specializes in geological, mining, and financial evaluations, delivering comprehensive reports and technical advice to mining companies worldwide.

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