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URA Holdings PLC
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24 March 2022

URA Holdings plc

("URA" or the "Company")

URA purchase Historic Gravelotte Emerald Mine, South Africa

URA Holdings plc (LSE: URAH) is pleased to announce that it has signed a Share Purchase Agreement for the acquisition of G.E.M Venus Holdings (Proprietary) Limited ("Gem Venus"), the ultimate owner of the majority interest in the Gravelotte emerald mine ("Gravelotte") located in the Limpopo province of South Africa from Magnum Mining and Exploration Limited ("Magnum").

Highlights

- Gravelotte is historically one of the largest emerald mines in the world and was operational from 1929 to 2002 with:
 - Total recorded historical emerald production from Gravelotte of nearly 113 million carats
 - Largest emerald mine in the world during the 1960's employing over 400 emerald sorters alone
- Magnum recently completed an extensive investigation into all aspects of the re-commencing of mining activities including conducting trial mining and processing testwork at Gravelotte
- Magnum estimated a substantial remaining and available resource for Gravelotte
- Much of the extensive mine site infrastructure has recently been refurbished and upgraded in preparation for recommencing operations
- Gravelotte is considered ready for the development of staged mining operations and a medium-term production opportunity
- Extremely favourable terms were negotiated as Magnum is solely focused on developing its iron ore project in the USA into production

Ed Nealon, Chairman of URA commented: *"When the opportunity to secure the acquisition of the Gravelotte emerald mine recently presented itself, we immediately seized it. The acquisition fits in perfectly with our stated goal of identifying unique opportunities in the Southern African mineral sector and presents a near to medium term production opportunity."*

Bernard Olivier, Chief Executive Officer of URA commented: *"We are delighted to have signed the SPA for the acquisition of the world renowned Gravelotte Emerald mine. Furthermore, the vast majority of the purchase price is to be paid from future emerald production and sales. We believe that the Gravelotte mine has significant emerald resources remaining that will enable restarting and sustaining of the ongoing long-term mining activities. Magnum has conducted an extensive trial mining campaign in preparation for restarting the mining activities and URA will now be conducting our own review of all data with the aim of charting a path towards the recommencing of mining operations."*

In addition to this release, a version of this release can be found on the Company's website (<https://uraholdingsplc.co.uk/announcements-publications.php>)

1. Details of the Transaction

URA has signed a Share Purchase Agreement ("SPA") to acquire 100% of the issued shares in GEM Venus (a company incorporated in the Republic of South Africa) and its subsidiary companies, from Magnum, an Australian public company listed on the Australian Stock Exchange. Through the acquisition of Gem Venus, URA is acquiring a licence giving the rights to exploit the historic Gravelotte (also known as the "Cobra Emerald Mine") mine in South Africa. Gravelotte ceased active mining operations in 2002 for reasons which will be given below but Magnum, the present owners, have in recent years carried out considerable work designed to bring Gravelotte back into production.

The key terms of the acquisition are as follows:

- Conditional additional consideration of AUD200,000.00 (approx. £123,000) in cash for each 5,000,000 carats of emeralds produced by Gravelotte up to maximum aggregate amount of AUD2,000,000 (approx. £1,230,000) as a production royalty
- £100,000 of ordinary shares of URA to be issued at the mid-market closing price on the date the SPA is signed ("the Consideration Shares").
- Gem Venus owns 74% of the issued share capital of ADIT Mining (Proprietary) Limited ("ADIT") and Venus Emerald (Proprietary) Limited ("Venus") which hold all the mineral rights in respect of

emerald mining and extraction at Gravelotte. The remaining 26% of the issued share capital of Adit and Venus are held by a Black Economic Empowerment ("BEE") compliant structure predominantly consisting of local employees and the local community.

These mineral rights are held through a long-term mining lease agreement providing all surface access and rights required for ongoing exploration and development of Gravelotte, including the use of management housing, offices, staff accommodation, workshop and other existing mine infrastructure on site.

The principal Condition Precedent for the acquisition is the granting of ministerial consent under The Mineral and Petroleum Resources Development Act 2002. If the Conditions Precedent are not satisfied, waived or extended by the first anniversary of execution of the SPA, the SPA will terminate. The issue of the Consideration Shares is subject to satisfaction of the Conditions Precedent.

The agreement contains the customary warranties concerning the Gravelotte Project for the benefit of URA including confirmation that there are no outstanding liabilities.

2. Reasons for Transaction

The Directors of URA believe that the acquisition of the historic Gravelotte Mine presents an unique opportunity that fits in well with the Company's stated vision. Gravelotte is considered ready for the development of staged commercial mining and processing operations and presents a medium-term commercial production opportunity. Furthermore, the terms of the transaction allow URA to pay the vast majority of the purchase price only from future revenue once the mine is back in production.

Although Gravelotte ceased production in 2002 for reasons described below, there is strong evidence that significant exploitable emerald reserves remain in place. Since acquiring Gravelotte in 2014, Magnum has carried out extensive research, planning and restoration work from which URA will benefit. The mine furthermore comes with the benefit of an experienced operational team already in place.

In 2021 Magnum acquired the advanced staged Buena Vista pig iron project in Nevada USA which resulted in a change in management and shareholder control. Following the change in core activities, Magnum recently announced that it is on track to become a leading producer of green pig iron products for sales to US and export markets at premium prices. Following the acquisition and development success of the Buena Vista project, that is now Magnum's sole focus. The decision was made by Magnum to dispose of Gravelotte as quickly as possible but to do so to a company whose directors and management have the experience and ability to progress the recommencing of mining at Gravelotte and bring it back into

production. On this basis, it was offered to URA whose new management have such experience.

3. Emerald Market

Over 75% of the world's emeralds are currently mined from Zambia, Columbia and Brazil. Emeralds have long been one of the most in-demand and attractive of the premium-coloured gemstones. The emerald market has experienced some significant changes during the global covid pandemic, and the future indicates growing demand, higher prices, and a shift towards ethical sourcing.

In the years before the pandemic, emeralds were a vibrant and steadily growing gemstone segment. Demand for emeralds was driven by a variety of factors including the emergence of new customers in China and other Asian markets, a growing demand for customized high-end jewellery and an increase in online sales. The increase in online sales is significant as it allowed new customers, often younger and from emerging wealth centres, to enter the high-end coloured gemstone market. With the onset of the pandemic, the drivers of emerald growth accelerated.

Emerald demand is also driven by the increased promotion and marketing of high-end coloured gemstones as tangible, high-value safe-haven investment. These safe-haven investments, designed to offer wealth protection in uncertain economic times and particularly during times of high inflation, allow investors to diversify away from more traditional investments.

Gemfields Group Limited (LSE:GEM) ("Gemfields") is a world-leading coloured gemstones producer. Gemfields produces twenty five percent of the world's emeralds and is listed on the Johannesburg and London Stock Exchanges (AIM). Gemfields owns the Kagem emerald mine in Zambia, the world's largest emerald mine. Gemfields markets and sells two grades of emeralds. High-quality emeralds which are the most premium and commercial emeralds which are lower grade and more mainstream. The company holds several public auctions of these commercial and high-quality emeralds each year. Due to its adherence to the high reporting standards expected of a listed company, the results of Gemfields emerald auctions tend to act as the bellwether for the global emerald sector. The Gemfields auction results highlight very steep increases in terms of price per carat for high-quality grade emeralds, but also very robust and substantial revenue growth in the sale of commercial (mainstream) grade emeralds.

The average price per carat for high quality emeralds achieved at auction of US\$150 per carat was almost double the average price of US\$68.03 achieved at auction in November 2018. The pent-up global demand for emeralds is not only driving prices at the high end of the emerald market. The mainstream emerald market segment is also experiencing an inability to meet demand and is experiencing steep price increases per carat. Between May 2019 and April 2021, Gemfields successfully auctioned 13.8 million carats of emeralds, achieving revenues of US\$ 155.9 million with an average price per carat of US\$ 11.27. Just over 92% of the lots

sold during this period were classed as commercial quality. Commercial quality (lower quality) emeralds sold at auction by Gemfields in 2018 attained an average price of US\$ 3.0 per carat, by mid-2021 commercial quality emeralds were achieving US\$ 6.61 per carat at auction.

4. History and Details of Gravelotte Mine

4.1 History

The Gravelotte Mine is located close to the town of Gravelotte in the Limpopo province of South Africa. The Gravelotte Mine is located in an area with well-developed infrastructure and other world-class mining operations including the Consolidated Murchison Mine, the oldest known antimony deposit in the world, and the Phalaborwa Copper Mine and Refinery.

Emeralds were discovered in the Gravelotte area in 1927 and since then several companies have mined and explored the area for emeralds. Historical records indicate that during the 1960's the Gravelotte Project was the largest emerald mine in the world, employing over 400 sorters.

From 1929 to 2002 the total recorded emerald production from Gravelotte and the surrounding area was nearly 113 million carats to which Gravelotte substantially the largest contributor. The Cobra open pit located on the Gravelotte Mine property is historically the biggest single emerald producing open pit in the region and is reported to have produced 21 million carats in the mid-1960's.

Historical records show that the throughput at Gravelotte Project's processing plant between 1978 and 2002, predominantly fed with material from the Cobra pit, was 480,000 tonnes averaging approximately 6.2 gramme per tonne (31 carat per tonne) of exported emerald un-cut rough.

Between 2002 and 2014 the Gravelotte Project went through a period of ownership disputes and changes with little or no emerald production occurring during this period. In 2014 Magnum acquired 100% of GEM Venus and through that acquisition the rights to the Gravelotte Project. The work conducted by Magnum between 2014 and 2021 is summarised below.

4.2 Geology

The host rocks are 3.3billion year old Archaean greenstone schists enclosed and intruded by younger Archaean granitic rock and late-stage albite-quartz pegmatoids. Emerald mineralisation is closely related to the pegmatoids.

The Gravelotte Project area hosts schists that form a star-shaped outcrop pattern defined by two structural trends and north-east-trending and steep-sided granite bodies. The emerald-bearing zones are sub-divided into four main open pits:

- Cobra Pit- comprising Cobra North Pit, Cobra South Pit and Cobra Underground
- Discovery Pit- comprising Discovery Pit, Discovery East and Discovery South
- Beryl Kop Pit - comprising Beryl Kop East and Beryl Kop West; and
- Sable Kop Pit

Magnum's recent work has been concentrated on the Cobra and Discovery pits, where the majority of the most recent emerald production occurred and these are expected by the Directors to continue to be the areas of focus in the immediate future.

4.3 Recent exploration work

Since acquiring the project in 2014 Magnum conducted significant exploration and trial mining and processing work to progress Gravelotte back into production. On the basis of this work, Magnum also estimated a substantial existing internal resource for Gravelotte. Their work included:

- Completed a 300-line kilometre low level, ultra-high precision helicopter-based magnetic and radiometric survey over an area of 12km, centred on the old emerald workings.
- Completed a topographic survey of the North and South Cobra open pits and undertook a survey of the tailings dump surrounding the open pits by an independent surveyor to identify first pass tailings targets.
- Completed a trenching and pitting programme, primarily locating a number of pits and trenches around the northern area of the Cobra open pit and its extension to the north. This is an essential part of understanding the regional geology. A total of 82 holes have been completed during the year down to a maximum of 3 metres.
- Completed a total of 20 inclined Reverse Circulation drill holes along two traverses for 769 metres of drilling. The drilling was undertaken at the northern extension of the Cobra Pit.
- Engaged SRK, the Cardiff-based consulting firm, to consolidate various geological plans and to undertake a structural survey of both the Cobra and Discovery and produce a modern geological/structural plan.
- Excavated 12 pits on site in order to map the eastern contact with the Quarry Granite.
- Commissioned a 300 hectare drone-based topographic survey of the mining area and carried out through independent consultants geological and structural mapping of the 3 open pits

- Completed Phase 1 of its Trial Mining campaign with testwork aimed at evaluating and restarting Gravelotte mining operations by undertaking the trial mining, milling and processing of the extensive waste and low-grade rock dumps available at Gravelotte. Extensive testing was also undertaken to determine the crushing and washing characteristics of the Gravelotte rock.
- Crushing testing successfully determined the optimum crush size to minimise damage to the emeralds whilst maximising the liberation of the emeralds from the host rock.
- The Trial Mining Phase 1 trial achieved all of its objectives and allowed confidence in the final plant design for phase 2 of this operation - the mining, milling and processing of hard rock from the two existing open pits at Gravelotte - Cobra North and Discovery pits.
- The Phase 1 programme tested various XRF technologies and the De Beers Technologies (Deb Tech) X-ray Fluorescence ("XRF") sorter was determined to be the best XRF processing option.
- In preparation for commercial production much of the extensive mine site infrastructure at Gravelotte which includes offices, laboratory, workshops, garages, management accommodation complex and a mine hostel to accommodate mine workers was upgraded and refurbished.
- Completed Phase 2 trial mining of around 7,800 tonnes of hard rock from three benches within the historic Cobra pits.
- Conducted sorting and processing testwork on both XRF-based and Optical sorting based technologies as part of the trial mining process

5. Future Plans

The trial mining and processing programmes conducted by Magnum delivered critical data as a precursor to determining the specifications and included capital requirements and operational costs of restarting a commercial mining operations at Gravelotte

URA will conduct a review of all the available data with the aim of establishing an operational plan and validating the financial model that will involve investigation of various operational and production scenarios and details of all aspects and components required to restart mining operations at Gravelotte.

URA's overall objective is to complete preparatory work and bring Gravelotte back into commercial production as quickly as possible. We will keep shareholders informed of progress as we move towards production.

The person who arranged for the release of this announcement was Bernard Olivier, CEO of the Company.

- Ends -

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