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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION 2014/596/EU WHICH IS PART OF DOMESTIC UK LAW PURSUANT TO THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS (SI 2019/310) ("UK MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION (AS DEFINED IN UK MAR) IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

Gem Resources Plc
("GEMR" or the "Company")

Subscription, Convertible Loan Note, Accelerated Rule 9 Waiver, Strategic Update and Board Changes

The Company (LSE: GEMR) is pleased to announce that it has raised £2.117m (the "Fundraise") before expenses comprising a subscription of £617,320 from Mr Louis Ching (the "Subscription") and the issuance of unsecured convertible loan notes in the principal amount of £1.5 million ("Convertible Loan Notes").

Highlights

- Strategic partnership with Hong Kong entrepreneur Louis Ching, who has joined the Board as Executive Chairman and largest shareholder.
- £617,320 Subscription completed at mid-market closing price on 2nd September 2025
- Additional £1.5 million Convertible Loan Note at a 50% premium to the Subscription Price, providing significant growth capital on favourable terms.
- Approximately £230,000 of unpaid Board and management fees to be converted at a 50% premium to the Subscription Price
- Funding supports production optimisation and cost reduction at Gravelotte and restart activities at Curlew.
- Proposed treasury policy update to allow surplus funds to be invested in select cryptocurrencies (including Bitcoin and Ethereum) for diversification.

Transaction Summary

- **Subscription:** Mr Louis Ching, has subscribed for **308,658,088 new ordinary shares** of nominal value £0.0001 each ("**Ordinary Shares**") in the capital of the Company at a subscription price of **£0.002 per share (0.20 pence)** (the "**Subscription Price**"), raising gross proceeds of approximately **£617,320**. Mr Ching has also been transferred one Ordinary Share by a shareholder of the Company. This results in Mr Ching holding over **50% of the enlarged issued share capital** of the Company.
- **Convertible Loan Notes:** In parallel, the Company has issued Mr Louis Ching Convertible Loan Notes in the principal amount of **£1.5 million**, convertible at a **50% premium to the Subscription Price** (equivalent to **£0.003 per share (0.30 pence)** (the "**Conversion Price**"). The Convertible Loan Notes carry a **5% annual interest** and may be converted at any time up until 3 September 2028, subject to the Company obtaining authority from the holders of Ordinary Shares ("**Shareholders**") to issue the new Ordinary Shares on conversion of the Convertible Loan Notes ("**Conversion Shares**").
- **Conversion of unpaid fees:** In conjunction with the above, the Company and its directors (the "**Board**") have agreed that all outstanding and accrued and unpaid board and management fees, totalling approximately £230,000 gross, **will be converted into Ordinary Shares at the Conversion**

Price, once the Company has secured sufficient Shareholder authority to increase its headroom for share issuance.

Use of Proceeds

The Board intends that the net proceeds receivable by the Company will be used as follows:

- **Working Capital & Liabilities:** strengthen the Company's cash position and meet existing obligations.
- **Gravelotte Emerald Mine (South Africa):** in-pit exploration, open pit optimisation, and upgrades to processing and sorting systems to increase production and reduce unit mining costs.
- **Curlew Emerald Mine (Australia):** exploration, development, and progression towards a restart of operations.

Board Appointments

The Company is further pleased to announce the appointment to the Board of **Mr Louis Ching** as **Executive Chairman**, and **Mr Hin Shek "Hans" Wong** as a **non-executive director**, as a nominee of Mr Louis Ching, both with immediate effect. Mr Edward Nealon will remain on the Board as a non-executive director.

Accelerated Rule 9 Waiver

Following the completion of the Subscription, the issue of new Ordinary Shares to Mr Louis Ching would result in him and his concert party (the "**Concert Party**") holding over 50% of the voting rights of the Company. Without a waiver of the obligations under Rule 9 of the City Code on Takeovers and Mergers (the "**Code**"), Rule 9 of the Code would require Mr Louis Ching and his Concert Party to make a mandatory offer to GEMR shareholders (a "**Rule 9 Offer**").

Under Note 1 of the Notes on Dispensations on Rule 9, when the issue of new securities in consideration for an acquisition or a cash subscription would otherwise result in an obligation to make a Rule 9 Offer, the Takeover Panel (the "**Panel**") will normally waive the requirement for a Rule 9 Offer, if, *inter alia*, the shareholders of the company who are independent of the person who would otherwise be required to make a mandatory offer and any person acting in concert with him or her and who do not have any interest in the proposed transaction which may compromise their independence (the "**Independent Shareholders**") pass an ordinary resolution on a poll at a general meeting (a "**Rule 9 Waiver Resolution**") approving such a waiver.

Further, under Note 5(c) of the Notes on Dispensations from Rule 9, the Panel may waive the requirement for a Rule 9 Waiver Resolution to be considered at a general meeting (and for a circular to be prepared in accordance with Section 4 of Appendix 1 to the Code) if Independent Shareholders holding shares carrying more than 50% of the voting rights of the company which would be capable of being cast on such a Rule 9 Waiver Resolution confirm in writing to the Panel that they approve such a waiver and would vote in favour of the Rule 9 Waiver Resolution in respect of the proposed transaction were such a resolution to be put to the shareholders of the company at a general meeting ("**Accelerated Rule 9 Waiver**").

The Company has obtained such written confirmation to the Panel from Independent Shareholders holding more than 50% of the Company's shares capable of being voted at a general meeting and the Panel has accordingly granted a dispensation from the requirement for a Rule 9 Waiver Resolution and the preparation of a circular to be prepared in accordance with section 4 of Appendix 1 to the Code. Accordingly, the Fundraise will be effected without the requirement for Mr Louis Ching and his Concert Party to make a Rule 9 Offer.

Ed Nealon, Non-Executive Director, commented:

*“On behalf of the Board, I am delighted to welcome **Louis Ching** as our new **Executive Chairman** and largest shareholder, and to welcome **Hans Wong** to the Board. This recapitalisation **materially strengthens GEMR’s financial position, addresses the near-term going-concern uncertainty, and provides the working-capital runway to execute our operational plans at Gravelotte and Curlew.***

*Up until completion of this transaction, the Board members were themselves among the Company’s largest shareholders and, throughout a challenging period, **worked tirelessly to evaluate a range of funding alternatives.** Importantly, unlike other potential proposals presented to the Company which would have required a **steep discount to the prevailing share price**, this transaction has been completed **at market price for the subscription and at a premium to market for the convertible loan note.***

*Louis’s strategic vision and commitment, together with Hans’s international capital markets experience, bring **fresh leadership and momentum** to GEMR at a pivotal time.”*

Louis Ching, Executive Chairman, commented:

“I believe GEMR has enormous potential. The Company has good assets but has historically been underfunded. I look forward to working with the Board to unlock this potential and to build long-term value for all shareholders.”

Background

As previously announced by the Company, the Company’s financial results released on 30 April 2025 included a **going concern statement**, which highlighted the urgent requirement for new funding in order to secure GEMR’s future.

The Board, together with its financial advisers, has accordingly conducted an extensive review of all available financing and restructuring options available to the Company over the past six months.

The Company also faces significant restrictions under the 20% rolling headroom restriction under the UK listing rules (the "UKLRs") published by the Financial Conduct Authority (the "FCA"), which caps the number of new Ordinary Shares issuable by the Company without a secondary prospectus. At GEMR’s market price, this limited the Company to raising less than £125,000, which would have been insufficient to address existing liabilities or provide adequate working capital. A secondary prospectus typically involves significant time and cost, and is usually conducted at a discount to the prevailing market price in order to attract investors.

The Board and the Company’s advisers engaged extensively with brokers and strategic investors to explore every feasible option for refinancing and restructuring GEMR. After careful consideration of the proposals received, the Board concluded that the transaction with Mr Louis Ching represented the best available option for the Company and its Shareholders.

Mr Bernard Olivier, Chief Executive Officer of GEMR, is deemed to be acting in concert with Mr Louis Ching as a result of his prior association with him and accordingly forms part of the Concert Party.

Subscription

Pursuant to the terms of the Subscription, **Mr Louis Ching**, subscribed for **308,658,088 new Ordinary Shares** at a price of **£0.002 per share (0.20 pence)**, raising gross proceeds of approximately **£617,320**.

Following the Subscription, Mr Ching, as the ultimate beneficial owner, now holds over **50% of the enlarged issued share capital of the Company**, making him the Company’s largest shareholder.

Convertible Loan Note

Alongside the Subscription, GEMR has issued Convertible Loan Notes to Mr Louis Ching pursuant to the terms of a Convertible Loan Note Instrument and Convertible Loan Note subscription agreement. A summary of the principal terms of the Convertible Loan Notes is set out below.

Key terms of the CLN:

- **Principal Amount:** £1,500,000, available in one tranche.
- **Term:** 3 years from the drawdown date (the “**Maturity Date**”).
- **Interest:** 5% per annum, payable annually in cash, but waived on any portion of the loan converted into Ordinary Shares.
- **Conversion Price:** **0.30 pence per share (0.003 GBP)**, representing a 50% premium to the Subscription Price of **0.20 pence per share (0.002 GBP)**.
- **Conversion Rights:** The holder may elect, in increments of £50,000 or more, to convert all or part of the outstanding loan into ordinary shares in the Company at the Conversion Price at any time up to the Maturity Date, by serving a conversion notice.
- **Share Ranking:** Conversion Shares will be fully paid, rank pari passu with existing ordinary shares, and carry full dividend and voting rights.
- **Repayment:** Any portion of the loan not converted must be repaid in full at maturity together with accrued interest.
- **Events of Default:** Standard provisions apply, including non-payment, insolvency, cross-defaults above £200,000, litigation, or suspension of the Ordinary Shares from trading on the Main Market of the London Stock Exchange for more than 20 consecutive business days or the Company's ordinary shares are otherwise removed from listing. In the event of default, the loan may become immediately due and payable.
- **Other Conditions:** Conversion rights are conditional upon the Company having sufficient shareholder authorities to allot the Conversion shares. If insufficient authority exists, the Company must either repay the unconverted portion in cash or may also defer the issue of Conversion Shares.

A circular in respect of the issuance of Conversion Shares will be posted to Shareholders in the coming weeks along with the notice of a general meeting. These will also be made available on the Company's website: www.gemresources.co.uk

Strategic plans under new leadership

Under the new leadership of Mr Louis Ching, the Board has adopted a strategic transformation plan for GEMR. This includes:

- **Gravelotte Emerald Mine (South Africa):** advancing in-pit exploration, open pit mining optimisation, and further upgrades to the processing and sorting systems. These initiatives are aimed at **increasing production volumes while reducing the unit cost of mining**.
- **Curlew Emerald Mine (Australia):** allocating funding to exploration, development, and progressing towards a restart of mining operations at Curlew, with the objective of bringing this project back into production in the near term.
- **Treasury Policy Update:** potentially revising the Company's treasury policy to permit investment in certain cryptocurrencies, including but not limited to Bitcoin and Ethereum.
- **Third-Party Offtake Agreement:** exploring the establishment of a **product-specific offtake agreement with a specialist tokenisation partner to pre-finance emerald production**

This strategic direction reflects Mr Louis Ching's vision to complement GEMR's core mining activities with innovative financing and treasury management solutions, diversifying value creation and aligning the Company with emerging digital markets.

Resulting Shareholdings

On completion of the Subscription, Mr Louis Ching will hold **50% plus one share** of the voting rights of the enlarged issued share capital and together with the Concert Party will hold approximately **50.8%** of the voting rights of the enlarged issued share capital. This position will allow the Concert Party to acquire further shares in the Company without incurring an obligation under Rule 9, to make a mandatory offer subject to the provisions of Note 4 on Rule 9.1.

Director Appointment Disclosures

The following information is disclosed in relation to the appointments of Mr Louis Ching and Mr Hans Wong:

Mr Louis Ching

Mr Louis Ching is an experienced investor, entrepreneur and corporate executive with extensive expertise in international markets, commodity trading, corporate restructuring and strategic financing, including exposure to blockchain-linked and digital asset opportunities. He has a strong track record in international business development and commodity trading across Asia and Africa and currently serves as Chairman and Managing Director of PT International Development Corporation Limited, a company listed on the Hong Kong Stock Exchange. Mr Ching holds a BA in Economics from Boston University.

Mr Ching is currently a director of PT International Development Corporation Limited (HKEx stock code: 372), a Hong Kong listed investment and commodities trading company (appointed 1 June 2017). In addition, he is also currently serves as a director of various unlisted investment holding companies incorporated in the British Virgin Islands, Hong Kong, Mauritius and the Cayman Islands, including: UBezTT International Investment Holdings Ltd, Ubeztt Holdings Limited, Balama Resources, Auspicious Virtue Investment Holding Ltd, Guan Hong Resources Limited, Champion Choice Holdings Limited, Marching Great Limited, AVG Resources Ltd, Emphasis Battery Tech Company Limited, HK United Investment Group Ltd, Dayu Development Company Limited, GX Capital GP Limited, CMC Capital Limited, and North Galaxy Development Company Limited. Mr Ching served on the board of Cupral Group Ltd. ("Cupral"), a 90% owned subsidiary of PT in from 16 April 2021 until 1 November 2022.

Save as set out above, there are no further disclosures to be made in connection with this appointment under the UKLRs.

Mr Wong Hin Shek

Mr Wong is an experienced corporate finance and investment professional with over 30 years' exposure to international capital markets, investment management and business development. He is an investor-operator focusing on strategic capital deployment and guidance of operations across multiple sectors. His track record spans leading strategic investments and management oversight in fintech and blockchain ventures; producing and investing entertainment events; and operating hospitality businesses in Asia. He has served as a director of several Hong Kong listed companies and brings extensive knowledge of corporate restructuring and cross-border transactions.

Mr Wong is currently Chairman and Executive Director of NOIZ Group Limited (HKEx: 8163) (appointed 1 September 2020) and Chairman and Director of Sino Golf Holdings Limited (HKEx: 361) (appointed 24 August 2015).

Within the last five years, he has also served as a director of: Fresh Express Delivery Holdings Limited (HKEx: 1175) (January–August 2022), Detai New Energy Group Limited (HKEx: 559) (2009–2021), China Carbon Neutral Development Group Limited (HKEx: 1372) (2015–2019), and Famous Tech International Holdings Limited (HKEx: 8100) (2017–2019). In addition, Mr Wong has held directorships in a number of private companies in Hong Kong and internationally.

Save as set out above, there are no further disclosures to be made in connection with this appointment under the UKLRs.

Application for Admission

The Subscription is conditional only on admission of the new Ordinary Shares to listing on equity shares (transition) category of the Official List ("**ES(T)C Listing**") of the FCA and to trading on the main market for listed securities of London Stock Exchange plc ("**Admission**").

The Company will apply to the FCA and the LSE to have new Ordinary Shares admitted to an ES(T)C Listing and to trading on the Main Market, respectively, with Admission expected to occur on or around 9 September 2025. The new Ordinary Shares will, upon allotment and issue be credited as fully paid and will rank in full for all dividends and other distributions declared, made or paid after Admission and will otherwise rank on Admission pari passu in all respects with each other and with the existing Ordinary Shares.

Total Voting Rights

Upon Admission, the total number of issued shares and the total number of voting rights in the Company will be 617,316,176.

The above figure of 617,316,176 should be used by Shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

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

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About Gem Resources Plc ("GEMR")

GEMR is an emerging emerald producer, focusing on the Gravelotte Emerald Mine. Historically, GEMR is one of the world's largest emerald mines, located in South Africa. The Company is committed to sustainable and efficient mining practices, utilizing modern technology to revive this historically significant emerald mine. The Company has also acquired the Curlew Emerald Mine in Australia, further expanding its emerald mining operations and assets.

For more information about Gem Resources Plc, including investor relations and corporate news, please visit our website at www.gemresources.co.uk. Interested parties are also invited to sign-up for our newsletter via our website.