

Company Number: 05329401 (England & Wales)



GEM RESOURCES PLC
Annual Report and Consolidated Financial Statements

For the year ended 31 December 2025

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Corporate Information

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Chairman's Statement

Dear Shareholder

2025 was a year of transition and recapitalisation for Gem Resources Plc. Since my appointment as Executive Chairman in September 2025, the Board has focused on strengthening the balance sheet, improving governance and reassessing the portfolio, rather than issuing frequent short-term market commentary.

Operational work continued at the Gravelotte project during the year, including hard-rock mining at the Cobra Open Pit and initial test sales of emeralds and by-products. These activities have been useful from a technical and commercial standpoint, but Gravelotte is only one component of a broader portfolio, and the Board continues to assess all assets through the lens of overall shareholder value.

A key milestone was the recapitalisation announced in September 2025, comprising a £617,320 equity subscription at 0.20 pence per share, a £1.5 million unsecured convertible loan note at a 50% premium to the subscription price, and shareholder approval at the General Meeting held on 20 November 2025 for the proposed conversion of approximately £230,000 of outstanding and accrued fees into equity on the same premium terms, which had not yet been implemented as at year end. This significantly strengthened the Company's financial position and provided a firmer platform for strategic initiatives. The associated Board changes and approvals, including the Rule 9 waiver and the resolutions passed at that General Meeting, have given the Company a clearer mandate and enhanced governance.

In October 2025, the Board adopted GEMR's Cryptocurrency and Digital Asset Treasury Policy, establishing a framework for holding approved digital assets within treasury and commercial operations. This does not change GEMR's identity as a natural resources company, but it broadens our tools for capital management, including the option to accept payment for product sales in digital assets while maintaining appropriate fiat liquidity.

Post period, in February 2026, GEMR completed its first allocation into Bitcoin under this policy, acquiring 9.00000000 Bitcoin for a total cash outlay of approximately US\$634,684.60, funded entirely from existing cash. This measured, initial step forms part of a wider capital allocation and treasury diversification strategy and is not a change to the Group's core business.

The Company now enters 2026 with refreshed leadership, a materially improved capital base and a broader strategic toolkit than it had a year ago. The Board is actively progressing corporate, financing and strategic initiatives aimed at enhancing financial strength, improving flexibility and realising value from the existing platform. While much of this work remains confidential at this stage, I am encouraged by the progress made and the opportunities under review.

On behalf of the Board, I thank shareholders for their patience and continued support during this period of change and look forward to providing further updates as developments materialise.



Louis Ching
Executive Chairman

Date: 29 April 2026

Strategic Report

The Directors present their Strategic Report for the year ended 31 December 2025.

Principal Activities

Throughout the period under review, Gem Resources Plc (the “Company” or “GEMR”) and its subsidiaries (the “Group”) operated as a mining and mineral exploration company. The principal activity of the Group during the year was the advancement and development of its acquired assets, with the overarching objective of creating long-term value for shareholders through capital growth and/or dividends.

The Company’s main strategic focus during the reporting period was as follows:

- to restart phase 1 of emerald production at the Gravelotte Emerald Mine and to refine the processing and mining methodology to maximise efficiency;
- additional exploration and pit optimisation work at Gravelotte;
- develop a detailed understanding of the available tailings and ore at Gravelotte prior to commencing further mining activities and confirming a route to market;
- commence early-stage development at the Curlew Emerald Mine in Australia, with a view to restarting cost-effective mining and processing operations in a phased and sustainable manner; and
- pursue joint venture opportunities for its strategic mineral licence in Zambia, aimed at unlocking value through technical and commercial partnerships.

Investing in small natural resource projects can be very rewarding, but because of the issues and uncertainties arising from the principal risks disclosed from page 9 below, there is a significant possibility of such reward not materialising. As a result of the nature and size of the Group and Company it will, in the early years particularly, be exposed to a concentration of risk either by sector or geographically, or possibly both. These risks are outlined in more detail below.

Licences

The Group’s principal licences comprise the Gravelotte Mining Right, LP 30/5/1/2/2/153 MR, covering approximately 378.3275 hectares and valid until 23 July 2033, which may, subject to the MPRDA, be renewed for further periods of up to 30 years at a time if the relevant renewal requirements are met; the Curlew Mining Licence covering approximately 21.02 hectares and valid until 16 May 2044; Malaika Licence 26880-HQ-LEL covering approximately 965 km² and currently under appeal following rejection of its renewal, although there can be no assurance that such appeal will be successful and, given that uncertainty, the relevant Zambia exploration project was impaired in the 2024 financial statements; and Malaika Licence 23239-HQ-LEL covering approximately 319 km², which expired on 30 January 2026 and is subject to a renewal application which was duly submitted and is reflected on the Zambian Mining Cadastre system. The Board believes that renewal of Licence 23239-HQ-LEL is highly likely and, accordingly, continues to support the carrying value of the related costs.

Review of Business and Development in the Year

A review of the year’s activities and future prospects is contained in the Chairman’s Statement.

Financial and Performance Review

The Company recorded its first modest revenues of USD57,000 (£45,000) consisting of the sale of mixed-to-low grade emeralds and historic tailings at Gravelotte. Other projects remained pre-revenue for the period.

The Group and Company restated prior year numbers following a review of the accounting of historic acquisitions. For details of restatement please refer to note 28.

The results for the Company and Group are set out in detail in the financial statements. The Company reports a loss of £0.7 million for the year ended 31 December 2025 (2024: £1.4 million as restated). The Group reports a loss of £0.9 million for the year ended 31 December 2025 (2024: £1.9 million as restated). The reduced loss in the current year is primarily attributable to the non-recurrence of the impairment charge of £754,000 recognised in the prior year.

Key Performance Indicators

The Company's primary financial key performance indicator ('KPI') at this stage of its development is the monitoring of its cash balances. The Company's cash as at 31 December 2025 was £129,000 (2024: £283,000). The Group's cash as at 31 December 2025 was £1,613,000 (2024: £414,000).

The critical non-financial KPI during the period was the ability of the Group and Company to develop its principal exploration project (Gravelotte) to the point of being in a position to record its first sales. Whilst the Company did record some sales from Gravelotte during the period, these sales were a small trial parcel of emeralds. The majority of this parcel were recovered from existing tailings piles on the mine site. The Directors believe that this is not a sufficient scale of sales to make the move to non-financial KPIs worthwhile at this time but will do so once the Gravelotte mine has recommenced full commercial scale mining and production and can undertake regular sales of more significant parcels of emeralds.

Cashflow

During the year, net cash outflow from Group operating activities was £781,000 (2024: £550,000). Cashflow forecasts are reported to the Board whenever the Board meets, to ensure progress is in line with budget. Long term forecasts are also provided to ensure that the strategy of the business can be adequately funded.

The Group raised cash net of costs of £567,000 (2024: £727,000) during the year from placing of Ordinary Shares and raised £1.5 million from the issuance of unsecured convertible loan notes.

The Group had a £1,247,000 net increase (2024: £256,000 decrease) in cash and cash equivalents at year end.

Balance Sheet

During 2025, non-current assets marginally decreased to £859,000 (2024: £893,000 restated), partly due to depreciation and amortisation.

The total liabilities increased to £1,805,000 (2024: £489,000 restated). This resulted primarily from the issue of convertible loan notes.

Cash has mainly been used to fund the Group's operations and corporate activities. Administrative expenses are the expenses related to the Group's ability to run the corporate functions to ensure it can perform its operational commitments. Exploration costs, capitalised during the year, consist of exploration expenditure on the Group's exploration licences.

Risk & Uncertainties

This business carries a high level of risk and uncertainty, although the potential rewards can be outstanding. The Directors have identified the following principal risks in regards to the Group's future. The relative significance of the Group's risks is likely to change as we execute our strategy and as external conditions evolve, including developments and exploration results that may require adjustments to our strategic priorities. Key elements of this process are the Group's reporting at Board meetings. The main risks include:

Strategic risk

The Group's strategy may not deliver the results expected by shareholders. The Directors regularly monitor the appropriateness of the strategy, taking into account both internal and external factors, together with progress in, and modification to, the Company's strategy.

Geographic Risks

The concentration of the Group's licences lies in three projects: the Gravelotte Emerald Mine, Curlew Emerald Mine and Strategic Mineral Projects, located in South Africa, Australia and Zambia, respectively.

The limited number of separate projects and ongoing investments creates risk. The Company is an African and Australian focused mining company with a particular focus on coloured gemstones, specifically, emeralds at the Gravelotte and Curlew Emerald Mines and high-grade graphite, coltan (containing niobium & tantalum), lithium, and rare earth elements (REEs) at the Strategic Mineral Projects.

The Group has limited diversification in its asset base in South Africa, Australia and Zambia. In view of its initial focus on the Gravelotte Emerald Mine, the Group will be exposed to the concentration risk of only having current operations in the coloured gemstones sector, where concentration risk may further relate to sub-sector, geography, the relative size of an investment or other factors. The Group has focused its investment strategy on the Gravelotte Emerald Mine, which, as a result, may expose the Group to country and local government-associated risk, and fluctuations in the demand for and the price of gemstones, specifically, emeralds and in the future, high-grade graphite, coltan (containing niobium & tantalum), lithium, and rare earth elements (REEs). Any delay in the active development of the Gravelotte Emerald Mine, or any unexpected interference in operations in the coloured gemstones sector, could, in turn, materially adversely affect the revenue, business, results of operations and financial condition of the Group.

Access to infrastructure

Mining, processing, development and exploration activities depend, to a significant degree, on adequate infrastructure. Reliable roads, power sources and water supply are important determinants, which affect capital and operating costs.

Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could materially adversely affect the Group's operations, financial condition and results of operations. Any such issues arising in respect of the supporting infrastructure or on the Group's sites could materially adversely affect the Group's results of operations or financial condition.

Furthermore, any failure or unavailability of the Group's operational infrastructure (for example, through equipment failure) could materially adversely affect the production output from its mines or development of a mine or project.

Operational Risks

There can be no guarantee of the results of any detailed exploration activity at the Strategic Minerals Project. The prospects of the discovery of commercially viable mineral resources and ore reserves on the Group's exploratory licence area associated with the Strategic Minerals Project are based on the judgement of the Directors, and historical data from the Strategic Minerals Project (and adjacent areas which are anticipated to have similar geology). Whilst the Directors have engaged geologists to support and inform their decisions to acquire interests in the exploration licence area associated with the Strategic Minerals Project, no mineral resource and reserve estimate has, to date, been prepared in relation to it. Until the Group carries out extensive and detailed exploration studies on the licence areas, the assumptions as to the presence of mineral resources and ore reserves on the exploration licence area associated with the Strategic Minerals Project, remain based on theoretical and limited anecdotal physical evidence and data.

Mineral exploration is an inherently speculative activity. The Group holds one exploration licence in Zambia in respect of the Strategic Minerals Project and is at an early stage of exploration in these licence areas. The Strategic Minerals Project has been selected on the basis of a set of prevailing geological conditions in the associated exploration licence area, however the asset base has yet to be comprehensively explored or tested. In the event that further exploration and/or testing reveals that the Strategic Minerals Project does not have a viable asset base, the Group will rely heavily on the benefit of having the acquired Curlew Emerald Mine in Australia and a JORC compliant maiden mineral resource estimate for the Gravelotte Emerald Mine in South Africa.

In the event that the geology in the associated licence areas turns out to be other than as expected and even if the geology is as anticipated, there is significant risk after spending significant sums on exploration and testing activity that no commercially viable mineral resources and ore reserves will be discovered. There is, accordingly, a material risk that activity at the Strategic Minerals Project could yield results that are materially below expectations which could, in turn, materially adversely affect the revenue, business, results of operations and financial condition of the Group.

The financial performance of the Group is also subject to its ability to achieve production at its Gravelotte Emerald and Curlew Mine at target quantities and quality. Failure to do so may result in a material adverse impact on the business, operations and financial performance of the Group.

Any unscheduled interruptions in the Group's operations due to mechanical, electrical or other failures or industrial relations related issues or problems or issues with the supply of goods or services, could have a serious impact on the financial performance of those operations.

Legal and Regulatory Risks

The Group's activities in South Africa are subject to extensive laws and regulations governing mining and mineral exploration companies. For example, the Mineral and Petroleum Resources Development Act No. 28 of 2002 and the MPRDA Amendment Act No.49 of 2008 ("MPRDA"), the Mineral and Petroleum Resources Royalty Act 2008, the Mining Titles Registration Act 1967, the Precious Metals Act 2005, National Environmental Management Act 1998 (NEMA) and Diamonds Act 1986 regulate mining in South Africa. The MPRDA outlines key requirements for exploration companies including imposing on these companies the obligation, after a prospecting right or mining right is granted, to lodge for registration with the Mineral and Petroleum Titles Registration Office within 60 days of the notarial execution of the mining right. The holder of the mining rights has various obligations during the duration of the right, such as reporting obligations. There are additional considerations related to environmental regulations and authorisations which are required for prospecting or mining operations and related activities, including the requirement by the Department of Mineral Resources and Energy of South Africa ("DMRE") to grant environmental authorisations and approve prescribed financial provisions (the amounts set aside by mining companies for the remediation and rehabilitation of the environment in relation to mining activities).

The Group's current and prospective activities in Australia will similarly be governed by extensive laws and regulations pertaining to environmental protection, mining, and land use. Key legislative frameworks include the Environmental Protection and Biodiversity Conservation Act 1999 (EPBC Act), which outlines requirements for environmental assessments and approvals for projects likely to have significant impacts on matters of national environmental significance. The Group's compliance obligations also extend to the Mining Act 1978 (Western Australia), the Work Health and Safety Act 2011, and the Aboriginal Heritage Act 1972 (Western Australia), which protects culturally significant sites. Australian states also enforce specific environmental and mining regulations, including the obligation to submit environmental management plans, remediation strategies, and financial assurance for mine site rehabilitation. Additionally, the Australian government requires mining operators to obtain permits for water use, waste management, and greenhouse gas emissions under various federal and state regulations. Non-compliance with these requirements can result in significant penalties, project delays, and/or operational restrictions.

The Group's operating activities in Zambia are subject to extensive laws and regulations governing waste disposal, protection of the environment, mine development, land and water use, prospecting, mineral production and other matters in Zambia (including the protection of Aboriginal heritage sites) under the Zambian Environmental Act, the Occupational Health and Safety Act No. 36 of 2010, the Mines and Minerals (Environmental) Regulations No. 29 of 1997 and the Environmental Protection and Pollution Control (Environmental Impact Assessment) Regulations SI No. 28 of 1997 (EIA Regulations).

Environmental considerations are integral to the Group's operations across all jurisdictions. In Zambia, South Africa, and Australia, compliance with environmental laws encompasses obtaining permits for activities that may affect air, water, or soil quality, implementing mitigation measures to manage environmental risks, and adhering to stringent monitoring and reporting requirements.

The Group is committed to sustainable practices, ensuring that operations align with environmental, social, and governance (ESG) principles, particularly with respect to the remediation and rehabilitation of affected sites and reducing the environmental footprint of its activities.

Market and Commodity Price Risks

The financial health of the Group is significantly tied to the market prices of emeralds and other minerals. Price drops can decrease asset valuations, diminish revenue, and reduce overall profitability, thereby affecting the Group's financial condition and operational viability.

Political, Economic and Regulatory regime

The licences and operations of the Group are in jurisdictions outside the United Kingdom and accordingly, there will be a number of risks which the Group will be unable to control. Whilst the Group will make every effort to ensure it has robust commercial agreements covering its activities, there is a risk that the Group's activities will be adversely affected by economic and political factors such as the imposition of additional taxes and charges, cancellation or suspension of licences and changes to the laws governing mineral exploration and operations.

The Group's activities will be dependent upon the granting of appropriate licences, concessions, leases, permits, and regulatory consents that may be withdrawn or made subject to limitations. There can be no assurance that they will be granted or renewed or if so, on what terms. There is also the possibility that the terms of any licence may be changed other than as represented or expected.

The current jurisdictions of the Group's activities, offer stable political frameworks and actively support foreign investment. These countries have well-developed exploration and mining codes and proactively support foreign companies. Through a programme of proactive engagement with each Government at all levels, the Group seeks to partially mitigate these risks by establishing professional working relationships.

Financial Risks

The Group's operations expose it to different financial risks including foreign exchange risk, credit risk, liquidity risk and interest rate risk. Details of the principal financial risks are set out in note 23.

To develop its extraction processes in South Africa and Australia, the Group may require significant financial resources. These needs may arise from the necessity to increase or expand mineral development activities, subject to availability of capital on favourable terms.

Refer to note 2 to the consolidated and group financial statements which explains that the Group is reliant on management's ability to secure additional funding in order to meet its obligations as they become due. A material uncertainty therefore exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern.

Furthermore, financial performance may be impacted by fluctuations in the exchange rates between the US Dollar, South African Rand, Zambian Kwacha, Australian Dollar and UK Pounds Sterling, particularly because the Group operates in multiple currencies, but raises capital primarily in Sterling.

Human Capital Risks

The Group's operational success and strategic management are critically dependent on the retention of skilled directors and senior management. Difficulty in maintaining or recruiting such personnel poses significant risks to operational continuity and the execution of strategic objectives. Nevertheless, through programmes of incentivising staff, appropriate succession planning, and good management these risks can be largely mitigated.

Exploration and Development Risks

The estimates of mineral resources and reserves involve significant uncertainties. These estimations are based on historical geological data and management's judgement, which may not always accurately predict actual mineral deposits. Misjudgements or errors in these estimates could lead to unanticipated variations in reserves, affecting the feasibility and profitability of mining operations. Even if there are economically recoverable deposits, delays in the construction and commissioning of mining projects or other technical difficulties may make the deposits difficult to exploit. The exploration and development of any project may be disrupted, damaged or delayed by a variety of risks and hazards which are beyond the control of the Group. These include (without limitation) geological, geotechnical and seismic factors, environmental hazards, technical failures, adverse weather conditions, acts of God and government regulations or delays.

Exploration is also subject to general industrial operating risks, such as equipment failure, explosions, fires and industrial accidents, which may result in potential delays or liabilities, loss of life, injury, environmental damage, damage to or destruction of property and regulatory investigations. The Group may also be liable for the mining activities of previous miners and previous exploration works. Although the Group intends, itself or through its operators, to maintain insurance in accordance with industry practice, no assurance can be given that the Group or, the operator of an exploration project, will be able to obtain insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims. The Group may elect not to become insured because of high premium costs or may incur a liability to third parties (in excess of any insurance cover) arising from pollution or other damage or injury.

Environmental, Regulatory and Operational Safety Risks

Operations must adhere to strict environmental standards, which are subject to changes and could become more stringent. Failure to comply can lead to substantial fines and operational disruptions. Mining operations are exposed to potential accidents and infrastructure failures. Any significant safety incidents or infrastructural damages could lead to operational halts, increased costs, and legal liabilities. While the Group believes that its operations and future projects are currently, and will be, in substantial compliance with all relevant material environmental and health and safety laws and regulations, including relevant international standards, there can be no assurance that new laws and regulations, or amendments to, or stringent enforcement of, existing laws and regulations will not be introduced.

Nevertheless, the Group will continue to vigorously apply international standards to the design and execution of any and all of its activities, including engagement and consultation with local communities, and non-governmental and Governmental organisations to ensure any impacts of current and future activities are minimised and appropriately managed. The Group has established

a comprehensive suite of health, safety, environmental and community policies which will underpin all future activities.

Digital Asset Treasury Policy Risks

The risks described below are not exhaustive. Post year end, the Company's digital asset holdings are held through GemR Corporation Limited (the "Treasury Subsidiary"), a company incorporated in Hong Kong and a wholly owned subsidiary of GEMR.

Price Volatility and Market Risk

Bitcoin, Solana and Ethereum, the Treasury Subsidiary's initial cryptocurrency targets, are subject to extreme and unpredictable price volatility. The value of the Company's digital asset holdings may decline materially and rapidly, including to zero, over short periods of time. Such volatility is driven by factors outside the Company's, or the Treasury Subsidiary's, control, including speculative trading activity, macroeconomic sentiment, regulatory announcements in major jurisdictions, changes in market liquidity, and the actions of large holders who may exert disproportionate influence over market prices. Unlike traditional treasury assets such as cash, money market instruments, or short-duration government securities, Bitcoin, Solana and Ethereum generate no yield and provide no contractual right to a future cash flow. The carrying value of the Company's digital asset holdings may therefore fluctuate significantly between reporting dates, and between the date of this annual report and any subsequent reporting period. Any material decline in the value of these holdings would reduce the Company's net assets and could adversely affect the Company's financial position, results of operations, and the market price of its ordinary shares.

Regulatory and Legal Risk

The regulatory treatment of digital assets, including Bitcoin, Solana and Ethereum, remains unsettled across all jurisdictions material to the Company's operations, including the United Kingdom and Hong Kong.

United Kingdom: The Financial Conduct Authority (FCA) is actively expanding its supervisory perimeter over crypto assets. Future regulation may require the Company or the Treasury Subsidiary to obtain licences, register with regulatory bodies, or change the structure, custody arrangements, or composition of its digital asset holdings. The FCA's financial promotions regime for crypto assets, in force since October 2023, and the anticipated broader crypto asset regulatory framework under the Financial Services and Markets Act 2023 may impose material compliance obligations on the Company. Non-compliance, whether inadvertent or otherwise, could result in regulatory sanction, reputational damage, or restrictions on the Company's ability to continue operating its treasury policy. Further, the FCA informed all Companies listed on the Main Market that the acquisition of cryptocurrencies would be treated as the acquisition of assets and therefore subject to the rules on Reverse Takeovers as set out under UKLR 7. Therefore, there is the risk that if the Company has a significant holding of cryptocurrencies and there is a significant value change in either the Company or, the assets that the Company may have, the listing of its shares may be cancelled as a result.

Hong Kong: The Treasury Subsidiary is incorporated and operates under the laws of Hong Kong. The Securities and Futures Commission (SFC) of Hong Kong has introduced a licensing regime for virtual asset service providers (VASPs) under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (AMLO), effective from June 2023. Whilst the Treasury Subsidiary is

not presently a VASP as defined, any change in the SFC's interpretation of its regulatory perimeter, or any expansion of the licensing regime, may require the Treasury Subsidiary to obtain regulatory approval, restructure its operations, or cease holding digital assets in Hong Kong. Furthermore, political and legal developments in Hong Kong may alter the regulatory environment in a manner that is difficult to predict or manage.

Cross-border regulatory risk: The Company is subject to the risk that regulatory changes in any one jurisdiction may have extraterritorial consequences, requiring material changes to the treasury policy, custodial arrangements, or corporate structure of the Treasury Subsidiary.

Custody and Security Risk

The Company's digital assets are held in custody in a cold storage wallet held by the Treasury Subsidiary. Digital assets held in custody are subject to risks that are qualitatively different from those associated with traditional financial assets held at regulated banks or custodians. These include the risk of theft, hacking, loss of private keys, insider fraud, and technical failures at the custodian or in underlying blockchain infrastructure. Unlike deposits held at a regulated bank, the Company's digital asset holdings are not protected by the Financial Services Compensation Scheme (FSCS) or any equivalent governmental guarantee scheme. If the Company's digital assets were lost, stolen, or rendered inaccessible for any reason, recovery may be impossible and the loss would be permanent and unrecoverable. Whilst the Company has implemented controls in respect of custody security, there is no assurance that such controls will prove effective against all threats. The Directors draw shareholders' attention to the fact that the custody of digital assets is an area of evolving best practice and that the Company's arrangements may require ongoing review and enhancement.

Tax Risk

The tax treatment of digital assets in the United Kingdom and Hong Kong is subject to uncertainty and ongoing development by the relevant tax authorities.

United Kingdom: HMRC's published guidance treats Bitcoin, Solana and Ethereum as capital assets for UK corporate tax purposes. Disposal of digital assets by the Treasury Subsidiary, or transfers between Group entities, may trigger taxable gains. The Company's ability to utilise losses arising from digital asset disposals against other Group income may be restricted. Any future change in HMRC's position on the classification, taxation, or transfer pricing of intra-group digital asset arrangements could result in material tax liabilities, penalties, or interest.

Hong Kong: The Treasury Subsidiary is subject to Hong Kong Profits Tax on profits arising in or derived from Hong Kong. The characterisation of gains and losses on digital asset holdings as capital or revenue in nature is a question of fact and law that may be contested by the Inland Revenue Department.

Transfer pricing and group structure: Transactions between GEMR and the Treasury Subsidiary, including any funding arrangements, management fees, or intra-Group asset transfers, must comply with arm's length transfer pricing principles in both jurisdictions. Any failure to do so may result in tax authority challenge and additional tax liability.

Liquidity Risk

Whilst Bitcoin, Solana and Ethereum are among the most liquid digital assets by traded volume, liquidity in digital asset markets is not equivalent to that available in major fiat currency markets or government bond markets. In periods of market stress, bid-offer spreads on digital assets may widen materially, and the Company may be unable to liquidate all or part of its digital asset holdings at prices close to prevailing market prices. The Company's digital asset holdings are intended to be held as long-term treasury assets and are not immediately available to fund the Company's operating activities without a liquidation event. If the Company was required to liquidate digital assets at short notice to meet operational or other funding needs, it may do so at a material discount to carrying value. Shareholders should note that the Company's treasury policy does not guarantee that sufficient liquidity will be available from digital asset holdings to meet the Company's working capital requirements.

Concentration Risk

Post year end, the Company's digital asset holdings are concentrated in three assets: Bitcoin, Solana and Ethereum. Whilst these represent three of the largest digital assets by market capitalisation, concentration in a small number of assets amplifies the potential adverse impact of price declines, regulatory actions targeted at either asset, or adverse technical developments specific to either the Bitcoin, or Solana or Ethereum blockchain protocols. The Company does not hold a diversified portfolio of digital assets and does not intend to hold stablecoins, tokenised securities, or other digital asset classes as part of its current treasury policy.

Operational and Governance Risk

The implementation of the Company's digital asset treasury policy requires specialised operational competencies that differ materially from those required to manage a conventional corporate treasury. These include the management of blockchain wallet infrastructure, custody security protocols, counterparty due diligence on digital asset exchanges and custodians, and real-time monitoring of digital asset valuations. The Company has sought to address these requirements through the incorporation of a specific subsidiary to handle crypto activities, full Board oversight of treasury activities and the implementation of a comprehensive cryptocurrency policy. However, the Company's management team has limited prior operational experience in managing digital asset holdings at the corporate treasury level. Any failure of operational controls, including errors in transaction execution, wallet management, or counterparty selection, could result in permanent loss of assets.

Reputational and Shareholder Perception Risk

The Company's decision to allocate a portion of its treasury to Bitcoin, Solana and Ethereum may not be consistent with the investment mandates, ESG policies, or risk tolerances of all current or prospective shareholders. Certain institutional investors, particularly those subject to ESG-related investment restrictions, may view digital asset holdings unfavourably due to concerns regarding the energy consumption of proof-of-work blockchain networks (relevant to Bitcoin) or the broader reputational associations of digital asset markets. This may adversely affect the Company's ability to attract or retain certain categories of institutional shareholder and could affect the liquidity and market price of the Company's ordinary shares. The Company acknowledges that its treasury policy represents a departure from conventional corporate treasury practice and is committed to providing transparent reporting on its digital asset holdings.

Technology and Protocol Risk

Bitcoin, Solana and Ethereum are open-source software protocols subject to ongoing technical development. Whilst these protocols have established track records of operational resilience, they are not immune to technological risk. These risks include the discovery and exploitation of previously unknown software vulnerabilities, the risk of a successful 51% attack on the networks (more relevant to Bitcoin but a theoretical risk for all), protocol-level changes that alter the economic or technical characteristics of the assets, and the possibility that superior competing protocols could reduce the utility and value of Bitcoin, Solana or Ethereum over time. In addition, Ethereum's ongoing protocol development roadmap introduces execution risk: future upgrades may introduce unforeseen consequences that affect the security, utility, or value of Ethereum. The Company has no ability to influence or control the development of protocols.

Other business risks

In addition to the current principal risks identified above, the Group's business is subject to risks relating to the financial markets and commodity markets. The buoyancy of both the aforementioned markets can affect the ability of the Group to raise funds. The Group has identified certain risks pertinent to its business including:

Strategic and Economic:

- Business environment changes
- Limited diversification

Operational:

- Difficulty in obtaining / maintaining / renewing licences / approvals

Commercial:

- Failure to maximise value from its projects
- Loss of interest in key assets
- Regulatory, compliance and legal

Human Resources and Management:

- Failure to recruit and retain key personnel
- Human error or deliberate negative action
- Inadequate management processes

Financial:

- Restrictions in capital markets impacting available financial resources
- Cost escalation and budget overruns
- Fraud and corruption

The Directors regularly monitor such risks, using information obtained or developed from external and internal sources, and will take actions as appropriate to mitigate these. Effective risk mitigation may be critical to the Group in achieving its strategic objectives and protecting its assets, personnel and reputation. The Group assesses its risk on an ongoing basis to ensure it identifies key business risks and takes measures to mitigate these. Other steps include regular Board review of the business, monthly management reporting, financial operating procedures and antibribery management systems. The Group reviews its business risks and management systems on a regular basis.

Promotion of the Company for the benefit of the members as a whole

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term;
- Act fairly between members of the Group and Company;
- Maintain a reputation for high standards of business conduct;
- Consider the interest of the Group and Company’s employees;
- Foster the Group and Company’s relationships with suppliers, customers and others; and
- Consider the impact of the Group and Company’s operations on the community and the environment.

The Group and Company has sought to act in a way that upholds these principles. The Directors believe that the application of s172 requirements can be demonstrated in relation to some of the key decisions made and actions taken during the year.

Category	How the Directors have engaged	Impact of action
Shareholders and investors	<p>The Directors have communicated regularly with its shareholders and investors via public announcements.</p> <p>The Directors have also maintained the listing of the Company on the Equity Shares (Transition) category of the London Stock Exchange.</p>	<p>The Group and Company has received feedback from shareholders and is listed on the Equity Shares (Transition) category and is trading on the Main Market of the London Stock Exchange.</p> <p>The Company, on behalf of the Group, raised fresh capital during the period with which to run its operations and establish its cryptocurrency treasury activities, demonstrating a strong relationship with investors and existing shareholders, who participated in the fundraise.</p>

<p>Suppliers</p>	<p>The Group and Company has focused on developing long term and mutually beneficial relationships with its suppliers through consistent communication, efficient use of their time, prompt payment and reasonable requests.</p> <p>The Company also maintains strong Health and Safety policies on its operational mine sites to ensure the wellbeing of all suppliers.</p>	<p>Relationships have been maintained with all suppliers in place at the beginning of the period.</p>
<p>Employees</p>	<p>Whilst the Group and Company is small, it makes sure that it works closely with its employees and Directors, keeping them all closely and regularly informed of all developments.</p> <p>The Company’s one employee is in regular contact with the Board and the Directors all communicate independently and via regular Board Meetings.</p> <p>Employees of the Group’s South African subsidiary are on-site and regularly interact with senior management/directors – mainly Wessel Marais, Louis Swart and Bernard Olivier. There are 22 employees at the South African subsidiary.</p> <p>There is one director engaged in Australia – Michael Ast.</p> <p>There are one resident director and two South African directors in Zambia and no employees.</p>	<p>Meetings were held with staff to provide project updates and ongoing business objectives.</p>
<p>Environmental, social and governance (“ESG”)</p>	<p>The Directors acknowledge that the Group’s business activities could affect the society and environment around it, and that it has an opportunity and an implicit duty to ensure this impact is positive.</p>	<p>No environmental or safety incidents were reported during the year.</p>

	The Company has a fully remote set up, no UK physical locations, has under 500 employees and consumes less than 40,000 kwh of energy.	
Government	The Directors are aware of the importance of retaining close and strong working relationships with Government (both national and local) in the jurisdictions that the Group operates in.	The Group ensures that it is always operating within the parameters set by local laws, as evidenced by its maintained Zambian licence which is post year end is under renewal, up to date filings in Australia and the deposit made for mine site rehabilitation in RSA.
Local Community	<p>At the subsidiary level, management and the Group and Company's employees continue to maintain excellent relationships with the local communities where they operate. During the year under review, the Group and Company used local businesses for the provision of certain services, specifically for geological prospecting assistance, earth works, food and shelter.</p> <p>The Company also fully complies with local Black Economic Empowerment ('BEE') rules given the 26% shareholding of the BEE partners in the mining operations in South Africa and maintains a strong relationship with its BEE partners.</p>	This created, and will continue to create, increased economic activity in the areas in which the Company and Group operates. Local management also maintains regular dialogue with the local population and leaders to ensure support for its activities.

Its members are kept informed, through detailed announcements, shareholder meetings and financial communications, of the Board's broad and specific intentions and the rationale for its decisions. The Company seeks to meet its obligations in an orderly and timely manner, taking into account its working capital position and keeps its costs to a minimum to protect shareholders' funds.

Task Force on Climate-related Financial Disclosures (TCFD)

The Group recognises the importance of climate-related risks and opportunities and is committed to providing disclosures aligned, where appropriate, with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

The Company is in the early stages of development and does not currently consider climate-related risks to be material to its financial performance, due to the early stage and limited scale of

operations. However, the Board acknowledges that climate-related factors will become increasingly relevant as operations scale and is committed to enhancing its disclosures over time.

The Group intends to align its disclosures with the UK Sustainability Reporting Standards (IFRS S1 and IFRS S2) as they become effective.

Governance

The Board has overall responsibility for the oversight of climate-related risks and opportunities.

Climate-related considerations are incorporated into the Group's broader risk management framework and are reviewed as part of the Board's regular assessment of principal risks and uncertainties.

Given the size and stage of the Company, responsibility for assessing and managing climate-related risks currently rests with the Board as a whole.

Strategy

The Group has considered climate-related risks and opportunities over the short, medium and long term.

At its current stage of development, the Group's exposure is primarily indirect and relates to:

- Regulatory risk, including potential changes to environmental and mining legislation;
- Operational risk, including potential disruption from weather-related events; and
- Stakeholder risk, including community and environmental expectations.

The Group does not currently undertake formal climate scenario analysis, as its operations are at an early stage and remain pre-scale. This will be reviewed as projects advance.

Risk Management

Climate-related risks are considered as part of the Group's overall risk management process.

The Board assesses whether climate-related risks are material to the Group's operations and financial position and, where relevant, incorporates these into the Group's principal risks and uncertainties.

At present, no climate-related risks have been identified as having a material impact on the Group's financial statements.

Metrics and Targets

Due to the limited scale of the Group's operations during the year, the Company has not established formal climate-related metrics or targets.

The Group does not currently measure Scope 1, Scope 2 or Scope 3 greenhouse gas emissions, as its operational footprint remains limited and activities are largely undertaken through third-party contractors.

The Board will review the appropriateness of introducing such metrics as operations expand.

Use of financial instruments

The Company's financial risk management objectives are to minimise its liabilities wherever possible (refer to note 23), to fund its activities through equity or debt financing and to ensure the Company has sufficient working capital to pursue its corporate strategic objectives.



Louis Ching
Executive Chairman

Date: 29 April 2026

Directors' Report

The Directors present their Directors' Report together with the audited financial statements of Gem Resources Plc (the "Company" or "GEMR"). A commentary on the business for the year is included in the Chairman's Statement on page 5. A review of the business is also included in the Strategic Report on page 7.

The shareholdings of the Directors and Key Management Personnel ("KMP") who held office throughout the period and at the date of publication are as follows:

Name	At date of report		31 December 2025		31 December 2024	
	Number of Ordinary Shares	Percent- age of share capital	Number of Ordinary Shares	Percent- age of share capital	Number of Ordinary Shares	Percent- age of share capital
Louis Ching	308,658,089	50.00%	308,658,089	50.00%	-	-
Africa Critical Metals Limited ¹	60,000,000	9.72%	60,000,000	9.72%	60,000,000	19.44%
Edward Nealon ²	15,347,434	2.49%	15,347,434	2.49%	10,680,768	3.46%
Peter Redmond	9,449,357	1.53%	9,449,357	1.53%	8,949,357	2.90%
Bernard Olivier	4,964,103	0.80%	4,964,103	0.80%	4,964,103	1.61%
Sam Mulligan	1,000,000	0.32%	1,000,000	0.32%	1,000,000	0.32%
Jeremy Sturgess-Smith	940,170	0.15%	940,170	0.15%	940,170	0.30%

¹ At the time of publication of the accounts, Edward Nealon holds 49.5% of the issued share capital of Africa Critical Metals Limited ("ACM") through his family investment company, Almaretta Pty Ltd. Mr Nealon is considered to be interested, inter alia, in all the shares held by Africa Critical Metals Limited in the proportions set out above. Mr Nealon is a director of ACM.

² Mr Nealon's interest in shares includes 5,384,615 shares held through his family investment company, Almaretta Pty Ltd.

The Directors mitigate the risk to independence from the Chairman's large shareholding through:

- decisions involving potential conflicts are considered by the full board;
- independent director oversight is used where appropriate; and
- external legal advice is taken on material matters.

Results and dividends

The results for the year ended 31 December 2025 are set out on page 57.

The Group and Company restated prior year numbers following a review of the accounting of historic acquisitions. For details of restatement please refer to note 28.

The Group reports a loss of £0.9 million for the year ended 31 December 2025 (2024: £1.9 million as restated). The Company reports a loss of £0.7 million for the year ended 31 December 2025 (2024: £1.4 million as restated).

The loss attributable to the owners of the parent was £846,000 (2024: £1,728,000 as restated) and the loss attributable to non-controlling interests was £70,000 (2024: £134,000 as restated), consistent with the financial statements.

There were no dividends paid (2024: £nil) in the financial year ending 31 December 2025.

Directors' Insurance and Indemnity Provision

The Company maintains Directors' & Officers' liability insurance which gives appropriate cover for any legal action brought against its Directors. In accordance with Section 234 of the Companies Act 2006, qualifying third party indemnity provisions are in place for the Directors in respect of liabilities incurred as a result of their office to the extent permitted by law.

Employment Policy

It is the policy of the Group and Company to operate a fair employment policy. No employee or job applicant is less favourably treated than another on the grounds of their sex, sexual orientation, age, marital status, religion, race, nationality, ethnic or national origin, colour or disability and all appointments and promotions are determined solely on merit. The Directors encourage employees to be aware of all issues affecting the Group and Company and place considerable emphasis on employees sharing in its success.

Changes in share capital

Details of movements in share capital during the period are set out in note 19 to these consolidated financial statements.

Pensions

The Company did not operate a pension scheme during the period and has not paid any contributions to any scheme for Directors and employees.

All eligible Directors and employees have been invited to participate in the Company's pension scheme with True Potential. All Directors and employees have opted out of the workplace pension.

Energy and Emissions Data

As the Company has not consumed more than 40,000 kwh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emission, energy consumption or energy efficiency activities. Additionally, during the reporting period, there were no significant contracts in place that would affect the Energy or Emissions Data.

Going concern

During the year ended 31 December 2025, the Group incurred a loss of £0.9 million (2024: £1.9 million as restated), the Company incurred a loss of £0.7 million (2024: £1.4 million as restated) and experienced net cash outflows from operating activities. Cash and cash equivalents for the Group totalled £1,613,000 as at 31 December 2025 (2024: £414,000) and £129,000 as at 31 December 2025 (2024: £283,000) for the Company.

The Group's consolidated financial statements and Company's financial statements have been prepared on a going concern basis, which assumes that the Group and Company will be able to realise its assets and discharge its liabilities in the normal course of business for at least twelve months from the date of approval of these financial statements.

Management has assessed the Group and Company's ability to continue as a going concern in light of the current economic uncertainty following the recent conflict in Iran. The geopolitical developments have led to increased volatility in global financial markets, disruptions to certain supply chains, and heightened uncertainty around investor sentiment toward certain asset classes, including digital assets.

Post year end, the Group holds investments in cryptocurrencies. The value of these holdings is subject to significant fluctuations due to market sentiment, regulatory developments, and broader macroeconomic conditions. The conflict and resulting regional tension have, at times, materially affected cryptocurrency market valuations and liquidity. In conducting its assessment, management has reviewed severe but plausible downside scenarios reflecting potential further declines in crypto asset values and reductions in market liquidity.

While these scenarios indicate that a material reduction in cryptocurrency values could impact the Group and Company's net asset position, the Directors have identified mitigating actions available to preserve liquidity, including the potential reduction of discretionary expenditure, deferral of capital programmes, and the selective disposal of non-core assets. In September 2025, the Company 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. In conjunction with the issue of the Convertible Loan Note, the Company and its Directors agreed that outstanding and accrued and unpaid Board and management fees, totalling approximately £230,000 (gross), would be converted into Ordinary Shares at the Conversion Price, showing the continued support from management.

After considering the above factors and the available mitigating actions, the Directors have a reasonable expectation that the Group and Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on a going concern basis.

Nevertheless, given the unpredictable nature of the geopolitical situation and the inherent volatility of cryptocurrency markets, there remains a risk that future events could have a material adverse impact on the Group and Company's trading performance and financial position that may require the Group and Company to raise additional working capital to advance its projects within the 12 months following the date of approval of these financial statements. Management has successfully raised money in the past, but there is no guarantee that adequate funds will be available when needed in the future. These uncertainties represent a material uncertainty that may cast significant doubt upon the Group and Company's ability to continue as a going concern.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group and Company not continue as a going concern.

Directors' remuneration

Details of the remuneration of the Directors can be found in note 5 to these consolidated financial statements.

Directors' interests in transactions

Other than disclosed in note 5 and 24 to the consolidated financial statements, no Director had during, or at the end of the period, a material interest in any contract which was significant in relation to the Company's business.

Directors

The following Directors held office during the period:

Peter Redmond
John Treacy
Edward Nealon
Bernard Olivier
Sam Mulligan (resigned 18 June 2025)
Louis Ching (appointed 3 September 2025)
Hans Wong (appointed 3 September 2025)

Board Assessment

The Board recognises the importance of regular evaluation of its effectiveness, composition and governance processes. Given the current size and stage of development of the Company, no formal externally facilitated board evaluation was undertaken during the year. Instead, board effectiveness has continued to be kept under review by the Chairman and the Board as a whole, with consideration given to the balance of skills, experience, independence, succession planning and the evolving needs of the business. The Board intends to keep the appropriateness of a more formal internal or external evaluation process under review as the Company develops further. In the meantime, the Directors consider that the existing informal review process remains proportionate to the size and nature of the Group.

Internal controls and corporate governance

The Board is responsible for identifying and evaluating the major business risks faced by the Company and for determining and monitoring the appropriate course of action to manage these risks.

Environmental, Social and Governance ("ESG") Statement

GEMR is committed to operating its mining and exploration activities in a responsible, ethical, and sustainable manner. While the Company is still in the early stages of production, ESG considerations are incorporated into all strategic and operational decisions as part of its long-term value creation plan.

Environmental Stewardship

GEMR acknowledges the environmental sensitivity of gemstone mining. The Company strives to:

- Minimise environmental impact through responsible land use and rehabilitation planning;
- Monitor water and waste management at its project sites; and
- Ensure that future energy sourcing decisions incorporate efficiency and sustainability considerations.

During 2024 and 2025, mining and processing activities were limited to tailings and low-impact hard rock mining, which allowed the Company to optimise recovery while minimising its operational footprint.

Social Responsibility

GEMR is committed to building enduring relationships with the local communities in which it operates. Highlights include:

- 26% Black Economic Empowerment (BEE) ownership at the Gravelotte operation, which includes participation by the local community;
- Local employment preference at Gravelotte, providing jobs and skills development to the surrounding communities; and
- Ethical sourcing and full traceability of GEMR's emeralds, contributing to consumer confidence.

Community consultation remains an ongoing part of the Company's site development and expansion planning. The inclusion of local community stakeholders in the BEE structure is a central part of GEMR's social licence to operate and long-term development strategy.

Governance and Compliance

The Board of GEMR recognises that strong governance underpins its ability to deliver on its strategic and ESG objectives. Key features include:

- Board oversight of ESG matters via the Audit Committee;
- Policies in place addressing anti-bribery and market disclosure; and
- Compliance with the QCA Corporate Governance Code as applicable to a standard listed company.

As the Company grows, it intends to enhance formal ESG reporting frameworks and adopt metrics consistent with the International Sustainability Standards Board (ISSB) and Sustainability Accounting Standards Board (SASB) guidance where relevant.

Streamlined Energy and Carbon Reporting (SECR)

GEMR does not meet the size or activity thresholds that would trigger mandatory disclosure under the UK Government's Streamlined Energy and Carbon Reporting (SECR) framework.

However, the Company remains committed to operating responsibly and will continue to monitor its environmental impact. As operations scale, GEMR will review the implementation of energy

use monitoring and voluntary emissions reporting in line with recognised ESG reporting standards.

Whistleblowing

The Group has adopted a formal whistleblowing policy which aims to promote a very open dialogue with all its employees which gives every opportunity for employees to raise concerns about possible improprieties in financial reporting or other matters.

To date, no reports have been filed under this policy.

Diversity

The Board is aware of its lack of diversity in its Board and senior management. It has an all male Board. It therefore does not meet, either during the year or at the current time, the board diversity targets as detailed out in Policy Statement PS 22/3 of the Listing Rules and DTR requirements, on gender and on ethnicity. The Board will continue to address these issues going forward, however, the Board is conscious that the Group is small, with only one employee, and the recruitment of a diverse Board in the immediate future may not be feasible owing to the necessary expertise required and prioritisation of reaching revenue generation.

Market Abuse Regulations

The Group is required to comply with article 18(2) of the Market Abuse Regulation (“MAR”) with reference to insider dealing and unlawful disclosure of inside information. The LSE requires traded companies to maintain insider lists as set out in the MAR. The Board has put in place a MAR compliance process and the Company’s regulatory announcements are overseen by the Board of Directors.

Substantial shareholdings

As at 31 December 2025 and at the date of this report, the Directors are aware that following shareholders hold more than 3% of the issued share capital:

Name	Number of Ordinary Shares	Percentage of share capital
Louis Ching	308,658,089	50.00%
Africa Critical Metals Limited	60,000,000	9.72%
Nortrust Nominees Limited	23,675,000	3.84%
The Bank of New York (nominees) Limited	19,123,806	3.10%

Number of shares not in public hands as at 31 December 2025 and at the date of this report, are 399,359,153 which equates to 64.69% of issued share capital.

Subsequent events

Following the end of the reporting period, the Group and Company announced that it has recorded its first purchase of cryptocurrency under its new cryptocurrency treasury policy, further details of this and other subsequent events are disclosed in note 26 of the consolidated financial statements.

Annual general meeting

This report and the consolidated financial statements will be presented to shareholders for their approval at the Company's Annual General Meeting ("AGM"). The Notice of the AGM will be distributed to shareholders together with the Annual Report.

Audit committee

The Audit Committee comprises Peter Redmond as Chair and John Treacy, and meets at least twice a year. The Audit Committee is responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Company is properly monitored and reported. In addition, the Audit Committee receives and reviews reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Company.

The audit committee met 3 times during the year to 31 December 2025.

Corporate Governance

The Board recognises its responsibility for the proper management of the Company and is committed to maintaining a high standard of corporate governance. The Directors recognise the importance of sound corporate governance commensurate with the size and nature of the Company and the interests of its Shareholders.

As a public company limited by shares, the Company has chosen to adopt the QCA Code (2023) which contains a minimum standard of best practice corporate governance for listed companies and for reporting corporate governance matters.

QCA Corporate Governance Statement

GEMR is committed to good corporate governance and has adopted the corporate governance guidelines of the Quoted Companies Alliance (QCA).

Principle 1: Establish a purpose, strategy and business model which promotes long-term value for shareholders

At Gem Resources, our strategy is clear: to become a leading producer and trusted supplier of ethically mined gemstones. We plan to achieve this through:

- *Expertise and Experience*

Leveraging the extensive global gemstone mining experience and deep local knowledge of our directors and team of seasoned professionals.

- *Uncovering Lucrative Opportunities*

Our wealth of experience at GEMR enables us to identify previously untapped new gemstone deposits with significant potential. We also apply advanced mining technologies and processing techniques, tools that maximise returns and can make it feasible to extract gemstones from previously inaccessible or economically unviable locations.

- *A Commitment to Ethical Standards*

We are dedicated to establishing ourselves as trustworthy producers and developing an ethical route to market for the gemstones we unearth. We have, and always will, strictly adhere to ethical mining practices, ensuring fair treatment of workers, responsible sourcing, and minimal environmental impact. Our commitment to ethical standards is integral to every aspect of our operations.

- *Strategic Decision-Making*

We adopt a disciplined approach to project development, evaluating whether to proceed with further development or to divest at opportune stages to maximize shareholder value. Our decisions are guided by a commitment to enhancing returns, ensuring long term value and minimising risk.

Risk factors relating to the Group are set out in the Company's annual report and include: expansion risk, jurisdictional risk, competition, dependence on management, scarcity of suitably qualified individuals, dependence on licences, reliance on certain facilities, regulatory compliance and environmental regulatory and risks. The Company's risk factors are reviewed and updated by the CFO and the wider board annually.

Principle 2: Promote a corporate culture that is based on ethical values and behaviours

The Company aims to operate ethically and be socially responsible in its actions. It has established a number of policies to support this aim, including:

- Anti-bribery
- Financial Reporting Procedures
- Modern slavery and human trafficking policy
- Share dealing code
- Whistleblowing policy
- Social Media policy

The Company policies are regularly reviewed and updated (if applicable) to ensure they are still fit for purpose.

Principle 3: Seek to understand and meet shareholder needs and expectations

The Company is committed to building and maintaining strong relationships with all of its shareholders.

The Company disseminates news on significant developments and regular operational updates in stock exchange announcements via the Regulatory News Service (RNS). These are also available on the website www.gemresources.co.uk. The website contains a wealth of information for existing and potential shareholders. Also, to accompany important Company announcements released via the RNS news service, the Company will send out an alert email to the subscribers to its distribution list (which is free of charge to anyone who wishes to subscribe).

The Company's Annual General Meeting (AGM) is the main forum for discussing matters with shareholders, addressing their queries, and understanding their needs and expectations. The Company holds its AGM (and other General Meetings) at a convenient time and location, normally in Central London, to ensure shareholders have every chance to attend.

The Chief Executive Officer makes himself available to meet with investors during the year and engages in regular dialogue with the Company's advisors and retail investors to gauge shareholder sentiment, including via the Company's X/Twitter page, by attending investor and sector specific

in-person events, through media outreach/interviews (e.g. Zak Mir, Proactive Investors) and through the utilisation of the Investor Meet Company platform.

Principle 4: Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success

In addition to weekly project and operational team meetings, the Company also shares key progress updates via email to all staff and releases public announcements via the RNS service.

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole. Including:

- Considering the likely consequences of any decision in the long term;
- Acting fairly between members of the Company;
- Maintaining a reputation for high standards of business conduct;
- Considering the interest of the Company's employees;
- Fostering the Company's relationships with suppliers, customers and others;
- Considering the consequences of any actions taken on the Company's relationship with its partners;
- Considering the impact of the Company's operations on the community and the environment.

The Company seeks to act in a way that upholds these principles and maintains a regular dialogue with its external stakeholders to ensure these principles are upheld.

GEMR is committed to operating its mining and exploration activities in a responsible, ethical, and sustainable manner. While the Company is still in the early stages of production, ESG considerations are incorporated into all strategic and operational decisions as part of our long-term value creation plan.

GEMR acknowledges the environmental sensitivity of gemstone mining. The Company strives to:

- Minimise environmental impact through responsible land use and rehabilitation planning;
- Monitor water and waste management at its project sites;
- Ensure that future energy sourcing decisions incorporate efficiency and sustainability considerations.

Principle 5: Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

The Board has identified what it believes to be a sensible and robust approach to opportunity and risk management for a Company of our size. Risks are managed throughout the Group with regular reviews at functional, Audit Committee and Board level.

Our risk management framework and processes are described in our Annual Report.

Maintaining and evolving mechanisms for internal controls is a continuous process both within the Company and at Board level. Risk and control-specific forums report directly into the Audit Committee. Assurance activities, including external reviews are conducted on a regular basis.

The Company receives feedback from our external auditors on the state of our risk management and internal controls.

Principle 6: Maintain the board as a well-functioning, balanced team led by the chair

The Board currently comprises two Executive Directors (Louis Ching and Bernard Olivier), three Non-Executive Directors (Edward Nealon, Hans Wong and Peter Redmond) and one Independent Non-Executive Director (John Treacy). Biographies for each board member are available on pages 37 and 38 of this document.

The Company's Articles of Association clearly define the matters reserved for the Board.

In addition, the Board has formed two sub-committees – the Audit Committee and the Remuneration Committee which both have their own terms of reference.

The Audit Committee is comprised of the one Independent Non-Executive Director (John Treacy) and one Non-Executive Director (Peter Redmond) who serves as Chair. The remuneration committee is comprised of the same Independent Non-Executive Director (John Treacy) who serves as Chair and Non-Executive Director (Peter Redmond). The Board will also consider establishing such other sub-committees where it believes such a committee would be beneficial.

The responsibilities of the Audit Committee include to:

- Monitor and review internal controls and risk management systems
- Oversee the relationship with the Auditor
- Consider and recommend to the Board the reappointment of the external auditor
- Monitor and review the compliance, whistleblowing, and fraud detection procedures
- Monitor and review reports from the Executive Directors, including the Company's financial statements

The responsibilities of the Remuneration Committee include to:

- Monitor and review internal Board remuneration
- Set new remuneration arrangements, commensurate with the business
- Consider and recommend new equity option plans for the Directors and employees of the Company

The Chairman, CEO and CFO all have specific roles and responsibilities which are:

- Chairman (Louis Ching) – Chairing all Company Board meetings and General Meetings, leading the Company's cryptocurrency and offtake plans;
- CEO (Bernard Olivier) – sets the overall operational and strategic tone for the Company and wider Group; and
- CFO (Louis Swart) – runs the yearly audit and half-yearly interim reports, is the main interface between the Company and its auditors, and prepares monthly Board reports as per QCA Principle 1.

The Board periodically reviews independence of the Directors.

The Company holds regular Board meetings, at which monthly management accounts, crypto holding statements, management reports and other operationally pertinent documents are tabled and discussed. Feedback is collated and fed back to the appropriate operational team members, ensuring that the Company is always aware of its financial position and ensuring that operations remain focused on the Company's key goals.

Board Meeting and sub-committee attendance is recorded by the Company Secretary as well as any conflicts of interest.

The Board operates in a collaborative and constructive manner with a clear focus on the delivery of strategy and increasing shareholder value.

All Directors will submit themselves for re-election at the Company's AGM.

Principle 7: Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities

All the current directors are considered to provide a diverse range of appropriate skills and experience. The Company provides, or will provide, adequate support and training to ensure that the Directors remain appropriately skilled and able to fulfil their duties to the required standard, and regularly assesses the board composition and will look to recruit in further skillsets as and when that may be required.

The corporate governance section of our Annual Report also details the roles and responsibilities of the Board of Directors. These are drawn from a range of backgrounds, enabling decision-making which draws upon extensive and varied experiences.

The appropriateness of the Board's structures and processes will, when appropriate, be reviewed through a formal Board evaluation and effectiveness process led by the Chairman together with other Directors, and these will evolve in parallel with the Company's objectives, strategy, business model and our governance framework.

The diversity of the Board, succession planning and the contributions made by various Directors are further detailed in the Corporate Governance section of the Annual Report.

The Independent Non-Executive Director has experience of early-stage and micro-cap, listed companies.

Relationship with Controlling Shareholder(s)

The Board is satisfied that the Company's existing governance and control framework provides adequate assurance that the Company is capable of operating independently of its Controlling Shareholder(s). In particular:

- A majority of the Board comprises Non-Executive Directors who are independent of the Controlling Shareholder(s);
- The Audit Committee and Remuneration Committee are both chaired by independent non-executive directors;

- These Committees operate under formally adopted terms of reference consistent with the principles of the Quoted Companies Alliance (QCA) Corporate Governance Code, and report directly to the Board; and
- The Board maintains oversight arrangements to ensure that all shareholders are treated fairly and that the interests of minority shareholders are properly safeguarded.

Accordingly, the Board believes that the Company's governance structure satisfies the independence and oversight requirements and continues to promote a transparent and balanced relationship between the Company and its Controlling Shareholder(s).

Principle 8: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Board is focused on implementing the Company's strategy. However, given the current size and nature of GEMR, the Board does not consider it appropriate, at this time, to have a formal performance evaluation procedure in place, as described and recommended in Principle 7 of the QCA Code. Therefore, the Company does not currently comply with this principle. The Board does however, and as noted above, use the retirement by rotation of all Directors at the Company's AGM as an opportunity to informally evaluate individual Director performance.

The Board will closely monitor this situation as the Company grows.

Principle 9: Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture

Our Annual Report outlines the approach of our Remuneration Committee and policies.

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Company communicates with shareholders and other stakeholders through its Annual and Interim Reports, regulatory and non-regulatory announcements, its investor relations website, Annual General Meetings and face-to-face meetings. More detail has been provided in Principle 1 above.

Political and charitable contributions

The Company made no charitable nor political donation in 2025 (2024: £nil).

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report, the Remuneration Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors are required to prepare financial statements in accordance with UK adopted International accounting standards ('UK-IAS'). Under Company Law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the

state of affairs of the Company and profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable accounting standards, UK adopted IAS have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business
- prepare a directors' reports, strategic report and directors' remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors remuneration report comply with the Companies Act 2006 and Article 4 of the IAS Regulations. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware;
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information; and
- the Directors are responsible for preparing the annual report in accordance with applicable law and regulations. The Directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the Company's performance, business model and strategy and is fair, balanced and understandable.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Information to shareholders – Website

The Company has its own website (www.gemresources.co.uk) for the purposes of improving information flow to shareholders as well as to potential investors.

Directors' Responsibilities Pursuant to DTR4

To the best of their knowledge, the Directors confirm:

- the Group and Company financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position of the Group and Company and its loss as at 31 December 2025; and

- the annual report, including the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties faced.

Statement of disclosures to auditor

So far as all the Directors, at the time of approval of their report, are aware:

- a) there is no relevant audit information of which the Company's auditors are unaware; and
- b) each Director has taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board



Louis Ching
Executive Chairman

Date: 29 April 2026

Board of Directors

Louis Ching - Executive Chairman

Mr. Louis Ching is an experienced investor, entrepreneur, and corporate executive with expertise in international markets, commodity trading, and strategic financing. He has a strong track record in business development 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.

Edward Nealon – Non-Executive Director

Edward Nealon is a geologist with 48 years' experience in the mining and exploration industry. After graduating in 1974, he commenced his career in South Africa with Anglo American Corporation, before moving to Australia in 1980 where he spent two years in exploration with Rio Tinto. He founded his own consulting company in 1983 and has practiced in most of the world's major mining centres. Mr Nealon was co-founder and former Chairman of Aquarius Platinum Ltd dual listed on AIM and ASX, co-founder of Sylvania Platinum Ltd (AIM and ASX), co-founder of Tanzanite One (AIM). He holds a Masters degree in Geology and is a member of the Australian Institute of Mining and Metallurgy. Mr Nealon currently also serves as the Non-Executive Chairman for Lexington Gold Ltd.

Bernard Olivier – Chief Executive Officer

Dr Bernard Olivier is a qualified geologist and has been involved with the mining and exploration industry for the past 26 years. Dr Olivier has over 17 years' experience as a public company director of ASX-listed and AIM-quoted mining and exploration companies. Dr Olivier was previously the CEO of Richland (formerly Tanzanite One Limited) and was credited with restructuring and returning the group to profitability in 2010. As CEO he also led the team which established a maiden JORC Resource estimate of 3.9 million gold ounces for Bezant Resources plc's Mankayan project and achieved an 8 pence per share return of capital to its shareholders. Dr Olivier is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Dr Olivier currently serves as a Director and Chief Executive Officer of Lexington Gold Ltd.

Peter Redmond – Non-Executive Director

Peter Redmond is a corporate financier with over 35 years' experience in corporate finance and venture capital. He has acted on and assisted a wide range of companies to attain a listing over many years on the Unlisted Securities Market, the Main Market of the London Stock Exchange and AIM, whether by IPO or in many cases via reverse takeovers, across a wide range of sectors, ranging from technology through financial services to natural resources and, in recent years has done so as a director of the companies concerned. He was a founder director of Cleeve Capital plc (now BigBlu Operations Limited) and Mithril Capital plc (now Be Heard Group Limited), both formerly listed on AIM prior to takeovers, and took a leading role in the reconstruction and refinancing of AIM-quoted 3Legs Resources plc (now SalvaRx Group plc). He is also a director of Hemogenyx plc (where he was involved in creating the precursor vehicle).

John Treacy – Independent Non-Executive Director

John Treacy is an experienced London-based financier who specialises in working with growing companies. He qualified as a solicitor in the London office of a major international law firm where he specialised in Capital Markets and Mergers & Acquisitions. From there he moved on to practice corporate finance in the advisory teams of several prominent UK brokerages where he acted as an adviser to a number of AIM companies and advised on numerous initial public offerings, acquisitions, debt restructurings and placings.

Hans Wong - Non-Executive Director

Mr. Wong is a corporate finance and investment professional with over 30 years' experience in international capital markets. As an investor-operator, he specializes in strategic capital deployment and business guidance across multiple sectors. He has a diverse track record, including ventures in fintech, entertainment, and hospitality, and brings extensive knowledge of corporate restructuring and cross-border transactions.

Remuneration Report and Plan

Dear Shareholder,

On behalf of the Board, I am pleased to present our Remuneration Report. It has been prepared in accordance with the requirements of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the “Regulations”) and, after this introductory letter, is split into two areas: the Annual Report on Remuneration the Remuneration Policy, in that order.

GEMR’s shares were admitted to what is now the Equity Shares (Transition) category and to trading on the Main Market of the London Stock Exchange on 2 March 2022. Since the listing, GEMR has been a mineral exploration and mining company, operating in South Africa, Australia and Zambia. Post year end, GEMR’s digital assets are held by its Treasury Subsidiary, incorporated in Hong Kong.

During the period, the Company has had seven Directors and one employee, who are deemed KMP. We had stated in our 13 December 2023 prospectus that the Directors and KMP will be paid annual amounts of:

- Edward Nealon - £40,000 per annum;
- Bernard Olivier - £50,000 per annum;
- Sam Mulligan - £40,000 per annum;
- Peter Redmond - £24,000 per annum;
- John Treacy - £24,000 per annum; and
- Jeremy Sturgess-Smith (employee) - £40,000 per annum.

The remuneration to the following Directors was amended (while others’ remuneration remains the same) with effect from 1 May 2024 to:

- Edward Nealon - £45,000 per annum with a reduction to £24,000 per annum from 1 September 2025;
- Bernard Olivier - £70,000 per annum; and
- Peter Redmond - £40,000 per annum.

Louis Ching and Hans Wong were appointed as Directors on 3 September 2025 and are paid:

- Louis Ching - £100,000 per annum;
- Hans Wong - £24,000 per annum.

Wessel Marais and Louis Swart are directors at the South African entities and are also deemed key management personnel and are paid:

- Wessel Marais - £61,510 per annum; and
- Louis Swart - £36,000 per annum.

No other remuneration has been paid to Directors. However, in order to preserve cash, certain Directors and employee salaries were accrued and not paid.

As was announced on 28 February 2025, the Company issued 5,999,998 new ordinary shares of £0.0001 each (“Ordinary Shares”) at an issue price of 0.65 pence per Ordinary Share to the directors, Bernard Olivier, Edward Nealon and Peter Redmond in lieu of cash settlement of part of their accrued fees. Refer to note 19.

At year end, the following amounts were outstanding to the Directors/employee:

	2025	2024
	£	£
Peter Redmond	31,333	14,667
John Treacy	25,000	9,000
Edward Nealon	39,333	18,333
Bernard Olivier	57,750	32,083
Sam Mulligan ¹	-	29,167
Louis Ching	32,576	-
Hans Wong	1,818	-
Jeremy Sturgess-Smith	31,667	21,667
Wessel Marais	32,310	35,711
Louis Swart	24,000	-
Total	275,787	160,628

¹ Resigned on 18 June 2025.

As was agreed on 20 November 2025, by resolution at a General Meeting, the Company has the authority to issue 64,836,034 new ordinary shares of £0.0001 each (“Ordinary Shares”) at an issue price of 0.3 pence per Ordinary Share to certain directors and Key Management Personnel in lieu of cash settlement of part of their accrued fees which had not yet been implemented as at the date of this report.

On 1 September 2021, the Company adopted an unapproved share option plan, which all executives and employees of the Company and its subsidiaries are eligible to participate in. The Remuneration Committee has not granted any further options beyond those detailed in the Remuneration Policy below; however they will select individuals to whom any further share options are to be granted from time to time.

Shareholders should note that the Company’s Remuneration Policy contains provisions that the Remuneration Committee be granted powers to set new remuneration arrangements from time to time. As referred to above, the Remuneration Committee implemented an option plan in 2021. An annual review will be undertaken to ensure Remuneration is competitive and in line with market practice and good governance. No arrangements other than the unapproved option plan will be implemented for the Executive Directors or any other Directors or employees until such a time as the Remuneration Committee may feel it is appropriate. Any changes to the Remuneration Policy will be put to shareholders at the next available Annual General Meeting.



John Treacy
Chairman of Remuneration Committee

Date: 29 April 2026

Remuneration Policy

As part of the current Remuneration Policy, the Remuneration Committee has extensive discretionary powers to set new remuneration arrangements that are commensurate with the business, from time to time. The Remuneration Committee would expect to change salary levels of the existing Executive Directors, set salaries and compensation and introduce benefits, pension, annual bonus and long term incentive arrangements which are competitive and in line with market practice and governance guidelines and which would be designed to align the interests of shareholder growth and Director compensation. Salaries and fees of all Directors were agreed following the admission of the Company's shares to what is now the Equity Shares (Transition) category and to trading on the Main Market of the London Stock Exchange on 2 March 2022, with an amendment to Edward Nealon, Bernard Olivier and Peter Redmond's remuneration effective 1 May 2024. No further arrangements other than the unapproved option plan took place for the existing Directors before 31 December 2025 (except for Edward Nealon reduced to £24,000 per annum from 1 September 2025) but the Remuneration Committee will keep the matter under review as the Company develops.

Element	Detail
Base salary	<p>Directors:</p> <ul style="list-style-type: none"> • Edward Nealon - £45,000 per annum with a reduction to £24,000 per annum from 1 September 2025; • Bernard Olivier - £70,000 per annum; • Peter Redmond - £40,000 per annum; • John Treacy - £24,000 per annum; • Louis Ching - £100,000 per annum; and • Hans Wong - £24,000 per annum. <p>Key Management Personnel:</p> <ul style="list-style-type: none"> • Jeremy Sturgess-Smith - £40,000 per annum; • Wessel Marais – £61,510 per annum; and • Louis Swart - £36,000 per annum. <p>At the end of the reporting period, a total of £275,787 (2024: £160,628) of the above base salary remains unpaid and accrued.</p>
Benefits	No benefits are currently provided. A detailed review will be undertaken on the 12-month anniversary of publication of these accounts.
Pension	All eligible Directors and employees have been invited to participate in the Company's pension scheme with True Potential. At the time of publication, all eligible Directors and employees have opted out.
Annual Bonus	No annual bonus scheme is intended to be implemented during 2025 or 2026. A detailed review will be undertaken on the 12-month anniversary of publication of these accounts. The review will reflect the scale and complexity of the business at the time. Given the strategy of the Company, the Committee will continue to monitor this throughout the period.

Option Plan	<p>The unapproved option plan put in place on Admission in March 2022 is intended to support the delivery of the Company’s strategy, to retain the Directors and reward them for driving its successful delivery. At this stage, the Option Plan is the Company’s sole long-term incentive plan for current Directors and employees following admission. The Option Plan operates over a period commencing on admission to what is now the Equity Shares (Transition) category and trading on the Main Market of the London Stock Exchange and ending on the 10th anniversary of this date (2 March 2032). For the full terms of the Option Plan, please refer to the Company’s prospectus published on its website: https://gemresources.co.uk/publications/. All options are fully vested.</p> <p>At the time of publication, current participants are as follows:</p> <table border="1" data-bbox="400 689 1425 1467"> <thead> <tr> <th data-bbox="400 689 603 801">Name</th> <th data-bbox="603 689 778 801">Number of Options:</th> <th data-bbox="778 689 1027 801">Exercise Price:</th> <th data-bbox="1027 689 1219 801">Date of Grant:</th> <th data-bbox="1219 689 1425 801">Expiry Date:</th> </tr> </thead> <tbody> <tr> <td data-bbox="400 801 603 1025">Bernard Olivier</td> <td data-bbox="603 801 778 1025">8,000,000</td> <td data-bbox="778 801 1027 1025">1st Tranche – 2p per share; 2nd tranche- 2.5p per share and 3rd tranche 2.7p per share.</td> <td data-bbox="1027 801 1219 1025">1 September 2021</td> <td data-bbox="1219 801 1425 1025">1 September 2031</td> </tr> <tr> <td data-bbox="400 1025 603 1249">Peter Redmond</td> <td data-bbox="603 1025 778 1249">4,000,000</td> <td data-bbox="778 1025 1027 1249">1st Tranche – 2p per share; 2nd tranche- 2.5p per share and 3rd tranche 2.7p per share.</td> <td data-bbox="1027 1025 1219 1249">1 September 2021</td> <td data-bbox="1219 1025 1425 1249">1 September 2031</td> </tr> <tr> <td data-bbox="400 1249 603 1467">Jeremy Sturgess-Smith</td> <td data-bbox="603 1249 778 1467">8,000,000</td> <td data-bbox="778 1249 1027 1467">1st Tranche – 2p per share; 2nd tranche- 2.5p per share and 3rd tranche 2.7p per share.</td> <td data-bbox="1027 1249 1219 1467">1 September 2021</td> <td data-bbox="1219 1249 1425 1467">1 September 2031</td> </tr> </tbody> </table> <p>In all cases the options vest in three equal tranches. The initial tranche, equal to 25% of the total award, vested on 2 March 2022, at the Company's initial listing on the Main Market of the London Stock Exchange, with an exercise price of 2 pence per share; the second tranche, equal to 37.5% of the total award, vested on 2 March 2023, on the first anniversary of the Company's initial listing at an exercise price equal to 2.5 pence per share; and the third tranche, equal to 37.5% of the total award, vests on 2 March 2024, the second anniversary of the Company's initial listing at an exercise price of 2.7 pence per share.</p> <p>As at 31 December 2025, none of the options have been exercised.</p> <p>No other incentive plan is in place.</p>					Name	Number of Options:	Exercise Price:	Date of Grant:	Expiry Date:	Bernard Olivier	8,000,000	1 st Tranche – 2p per share; 2 nd tranche- 2.5p per share and 3rd tranche 2.7p per share.	1 September 2021	1 September 2031	Peter Redmond	4,000,000	1 st Tranche – 2p per share; 2 nd tranche- 2.5p per share and 3rd tranche 2.7p per share.	1 September 2021	1 September 2031	Jeremy Sturgess-Smith	8,000,000	1 st Tranche – 2p per share; 2 nd tranche- 2.5p per share and 3rd tranche 2.7p per share.	1 September 2021	1 September 2031
Name	Number of Options:	Exercise Price:	Date of Grant:	Expiry Date:																					
Bernard Olivier	8,000,000	1 st Tranche – 2p per share; 2 nd tranche- 2.5p per share and 3rd tranche 2.7p per share.	1 September 2021	1 September 2031																					
Peter Redmond	4,000,000	1 st Tranche – 2p per share; 2 nd tranche- 2.5p per share and 3rd tranche 2.7p per share.	1 September 2021	1 September 2031																					
Jeremy Sturgess-Smith	8,000,000	1 st Tranche – 2p per share; 2 nd tranche- 2.5p per share and 3rd tranche 2.7p per share.	1 September 2021	1 September 2031																					

Notice periods

The notice period for all Directors is 12 months’ notice in writing.

Other Employees

Jeremy Sturgess-Smith is the Company's only employee. He also has a 12 month notice period.

Other policy matters

Policy sections normally set out approaches in the areas of executive recruitment, termination of employment, shareholder consultation, consideration of employment conditions elsewhere in the Company and employee consultation. Other than items explained above, the Company believes that these issues are not applicable at present.

Annual Report on Remuneration

The Remuneration Committee presents its report for the year ended 31 December 2025.

The Remuneration Committee's main responsibilities

- The Remuneration Committee considers the remuneration policy, employment terms and remuneration of the Board and advisers;
- The Remuneration Committee's role is advisory in nature, and it makes recommendations to the Board on the overall remuneration packages; and
- The Remuneration Committee, when considering the remuneration packages of the Company's Board, will review the policies of comparable companies in the industry.

The Remuneration Committee met once during the period to 31 December 2025.

Membership of the Remuneration Committee, meetings and Advisers

The Remuneration Committee is comprised of John Treacy as Chair and Peter Redmond (both Non-Executive Directors). A meeting was held on 28 October 2025 and the Chairman of the Remuneration Committee presented an initial recommendation to the Board.

The items included in this report are unaudited unless otherwise stated.

Report Approval

A resolution to approve this report will be proposed at the AGM of the Company. The vote will have advisory status.

Directors' and Key Management Personnel ("KMP") emoluments and compensation (audited)

Set out below are the emoluments of the Directors and KMP for the years ended 31 December 2025:

	Salary and fees £	Loss of Office £	2025 Total £
Directors			
Peter Redmond	40,000	-	40,000
John Treacy	24,000	-	24,000
Edward Nealon	39,750	-	39,750
Bernard Olivier	70,000	-	70,000
Sam Mulligan ¹	(29,167) ¹	5,000	(24,167)
Louis Ching ²	32,576	-	32,576
Hans Wong ²	7,818	-	7,818
Total	184,977	5,000	189,977
KMP			
Jeremy Sturgess-Smith	40,000	-	40,000
Wessel Marais	45,833	-	45,833
Louis Swart	36,000	-	36,000
Total	121,833	-	121,833

¹ Sam Mulligan resigned on 18 June 2025 and previous accrued fees reversed.

² Appointed 3 September 2025.

Set out below are the emoluments of the Directors and KMP for the years ended 31 December 2024:

	Salary and fees £	Loss of Office £	2024 Total £
Directors			
Peter Redmond	34,667	-	34,667
John Treacy	24,000	-	24,000
Edward Nealon	43,333	-	43,333
Bernard Olivier	63,333	-	63,333
Sam Mulligan	40,000	-	40,000
Total	205,333	-	205,333
KMP			
Jeremy Sturgess-Smith	40,000	-	40,000
Wessel Marais	61,510	-	61,510
Louis Swart	15,000	-	15,000
Total	116,510	-	116,510

At the end of the reporting period, a total of £187,810 (2024: £103,250) of the total Board remuneration and KMP salaries of £87,977 (2024: £57,377) remain unpaid and accrued. Accrued and

unpaid fees totalling £39,000 were converted to Ordinary Shares (refer note 19 to the consolidated financial statements) at a 31% premium, as was announced on 28 February 2025. A further portion of accrued and unpaid fees totalling £194,508 was approved for conversion to shares at a 50% premium on 20 November 2025.

Long term incentive plan arrangements

There is a charge of £nil (2024: £34,161) for Bernard Olivier, a charge of £nil (2024: £17,081) for Peter Redmond and a charge of £nil (2024: £34,161) for Jeremy Sturgess-Smith charged to the Comprehensive Income in the year for the unapproved option plan.

Other disclosures on remuneration during 2025 and intention for 2026

Other than the salaries and fees detailed above in this Report, and the Directors' and Employee option plan participation, no other remuneration was paid, payable or is at present expected to be paid or payable for 2025. As such, there are no further disclosures to be made in respect of salary or fee changes for 2025, pension, benefits, annual bonus in respect of 2024 or 2025, vesting, outstanding or forward long-term incentive plan awards. A payment of £5,000 was made to Sam Mulligan for loss of office during the year ended 31 December 2025.

UK 10-year performance graph against CEO remuneration

The Directors have considered the requirement for a UK 10-year performance graph comparing the Company's Total Shareholder Return with that of a comparable indicator. The Directors do not currently consider that including the graph will be meaningful because the Company is not paying dividends. The Directors will continue to monitor the appropriateness or not of including a graph for future annual reports.

Relative importance of spend on pay

The table below illustrates the year-on-year change in total remuneration compared to distributions to shareholders and operational cash flow for the financial periods ended 31 December 2025 and 2024:

	Distribution to shareholders £'000	Total directors and employee pay £'000	Operational cash outflow £'000
31 December 2025	Nil	312	781
31 December 2024	Nil	322	550

Total employee pay includes wages and salaries, social security costs and pension costs for employees. Further details on employee remuneration are provided in note 5 to the consolidated financial statements.

UK Remuneration percentage changes

Listed companies are required to make disclosures in respect of percentage year-on-year changes in the lead executive's and employee remuneration, the ratio of the lead executive's remuneration to that of different employee groups. These disclosures are not applicable due to there being only one employee.

Compliance with the QCA Governance Code

The Board is committed to maintaining high standards of corporate governance and in this it is guided and complies with the QCA Corporate Governance Code. As the Company develops and introduces a formal remuneration policy, the Committee will reflect on these issues. The Committee is satisfied that, in respect of 2025, the remuneration policy operated as intended in terms of Company performance and quantum.

UK Directors' shares (audited)

The interests of the Directors who served during the year in the share capital of the Company as of 31 December 2025 and at the date of this report has been set out in the Directors' Report on page 23.

Policy Approval

A resolution to approve this policy will be proposed at the AGM of the Company.

Approved on behalf of the Board of Directors by:



John Treacy
Chair of the Remuneration Committee

Date: 29 April 2026

Independent Auditors' Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEM RESOURCES PLC

Opinion

We have audited the financial statements of Gem Resources plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 to the financial statements, which discloses that the group and the parent company continue to incur losses and net cash outflows from operating activities, and that there remains a risk that the group and company may be required to raise additional working capital to advance projects within the 12 months following the date of approval of these financial statements. As disclosed in Note 2, these events or conditions, along with other matters set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the group's and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- critically reviewing the cashflow forecasts and budgets prepared by management for the 12 month period to 30 April 2027, corroborating and providing challenge to key assumptions and inputs used;
- comparing forecast expenditures to current year actual results and corroborating any significant variances;
- comparing historic forecasts to the actual results in the year to assess the accuracy of the forecasting process; and
- reviewing post year-end bank statements and management information to ascertain the group's and the parent company's cash position as at 31 March 2026 and post year-end performance, and comparing this to the forecasts.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

We determined materiality for the group and the parent company financial statements to be:

	Group		Parent company	
	£	Basis	£	Basis
Overall materiality	49,800	1.75% of total assets	24,900	1.75% of total assets, capped at 50% of group materiality
Performance materiality	29,850	60% of materiality	14,900	60% of materiality
Triviality	2,450	5% of materiality	1,240	5% of materiality

In determining group materiality, we considered total assets to be the most appropriate benchmark. The group's mining assets, including exploration and evaluation assets and mining development assets, represent the primary value driver of the business and the principal source from which future revenues are expected to be generated. Accordingly, these assets are a key area of focus for users of the financial statements.

In determining the parent company materiality, we consider total assets to be the primary measure used by the shareholders in assessing the performance. As the parent company does not generate revenue, its primary balances consist of investments in subsidiaries and receivables from group companies.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures. We set the performance materiality at 60% of the overall materiality for both the group and the parent company.

In determining performance materiality, we considered the following factors:

- Our knowledge of the group and parent company and their environment, including industry specific trends;
- Significant transactions during the year; and

- The level of judgement required in respect of the key accounting estimates.

We agreed with the audit committee that we would report all individual audit differences identified during the course of our audit in excess of £2,450 for the group and £1,490 for the parent company together with any other audit misstatements below these thresholds that we believe warranted reporting on qualitative grounds.

Whilst performance materiality for the group was set at £29,850, we also assessed performance materiality for in-scope entities. We identified five components within the group, located in the United Kingdom, Zambia, Australia, South Africa and Hong Kong. Full-scope audits were performed on the UK parent company by us as group auditor, and on the South African component by a component auditor. For the Zambian, Australian and Hong Kong components, we performed audit procedures on specific classes of transactions, account balances or disclosures as part of our group audit. Aside from the parent company, materiality for which is detailed above, these four components were audited to a performance materiality ranging from £14,900 to £23,800, representing an appropriate percentage of the group's performance materiality according to their relative asset contribution and our assessment of inherent risk. Therefore, we conclude that this approach provides sufficient coverage to reduce the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the group financial statements as a whole to an appropriately low level. The concept of materiality was applied throughout the audit, from planning to execution, as well as in evaluating the impact of misstatements.

Our approach to the audit

In designing our audit approach, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we assessed the areas requiring the board and management to make subjective judgements, for example in respect of significant accounting estimates including the classification and valuation of mine development and stripping activity, valuation of exploration and evaluation assets and with regard to the parent company, valuation of investments and intercompany balances.

Audit work was performed on the financial information of the group's five in-scope components, the scoping of which is detailed in the previous section. One of the five components, South Africa, was audited by component auditor.

The group audit team provided detailed instructions to the component auditor in respect of the scope of work to be performed, including the significant audit areas and relevant risks identified, together with the required reporting deliverables. The group audit team performed a review of the component auditor's working papers in accordance with our group audit approach. Ongoing communication was maintained with the component auditor throughout the audit, and the required reporting packages and appendices were received and reviewed to ensure compliance with our instructions.

The audit procedures on the other in-scope entities, the parent company and the group consolidation were performed in the United Kingdom by the group audit team. In addition, the group audit team performed supplementary top-up audit procedures in respect of the key audit matter relating to the valuation of mine development costs and stripping activity, to complement and extend the work performed by the component auditor.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial

statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material uncertainty related to going concern section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
<p>Classification and valuation of goodwill (Note 28)</p> <p>In prior years, the group acquired controlling interests in Prasinus Exploration Pty Ltd, Ma-laika Exploration (Ireland) Limited, and Gem Venus Holdings (Pty) Ltd. These transactions were accounted for as business combinations in accordance with IFRS 3 <i>Business Combinations</i>. There is a risk that the acquisitions may not have been accounted for in full compliance with IFRS 3 and, consequently, that the classification and measurement of the resulting goodwill may not be appropriate.</p> <p>As a result of the judgement required by management in assessing the accounting treatment of these acquisitions, and due to the significant amount of time spent by the audit team in reviewing and concluding on these matters, we have identified this as a key audit matter.</p>	<p>Our work in this area included the following:</p> <ul style="list-style-type: none"> • Reviewing the historic accounting treatment of the group’s acquisitions in prior years to assess whether the transactions were appropriately accounted for in accordance with IFRS, including evaluating whether the acquisitions were within the scope of IFRS 3 or should have been treated as asset acquisitions; • Reviewing the share purchase agreements (‘SPAs’) for each entity to understand the key terms including consideration transferred and assets acquired; • Holding discussions with management surrounding the historical acquisitions, including understanding the level of operations within the acquiree companies and the nature of assets and liabilities acquired; • Obtaining management’s assessment of the accounting treatment of each acquisition, and critically reviewing, providing challenge and corroborating to SPAs; • Reviewing appropriateness of the correcting accounting entries relating to the acquisitions as at 1 January 2024 and 31 December 2024; • Reviewing the purchase price allocation (‘PPA’) exercise performed by management and reviewed by management’s external expert, assessing the methodologies applied, and consistency of conclusions with the underlying transaction terms and applicable accounting standards; • Assessing the competence, capabilities, and objectivity of the external expert engaged by management in reviewing the PPA; and • Reviewing the related financial statement disclosures.

	<p><i>Key observations</i></p> <p>Based on our review, it was concluded by management that the historical acquisitions of Prasinus Exploration Pty Ltd, Malaika Exploration (Ireland) Limited, and Gem Venus Holdings (Pty) Ltd had been incorrectly accounted for in prior periods.</p> <p>The acquisitions of Prasinus Exploration Pty Ltd and Malaika Exploration (Ireland) Limited were determined to be asset acquisitions rather than business combinations. While the acquisition of Gem Venus Holdings (Pty) Ltd met the definition of a business combination, no purchase price allocation was performed at the time of acquisition.</p> <p>As a result, amounts previously recognised as goodwill did not meet the definition of goodwill under IFRS 3 and have been appropriately reclassified in full to exploration and evaluation assets at their respective acquisition dates.</p> <p>Prior-year adjustments have been recognised to correct the accounting treatment as at 1 January 2024 and 31 December 2024.</p>
<p>Classification and capitalisation of mine development and stripping activity (Note 7)</p>	
<p>During the year, the group has generated revenues from trial production during the year from its key asset, the Gravelotte Emerald Mine. Mine development and stripping activity included within property, plant and equipment ('PPE') amounted to £243k as at 31 December 2025.</p> <p>During the prior year, the group commenced operations at its Gravelotte Emerald Mine and the related assets were reclassified from exploration and evaluation assets to PPE as it was considered that technical and commercial feasibility had been demonstrated. There is a risk that the transfer of assets from exploration and evaluation stage to production assets may have been performed incorrectly, resulting in potential misclassification. There is a further risk that, given revenues have been generated in the year, depreciation should be recorded against these assets.</p> <p>In addition, there is a risk that indicators of impairment exist in relation to the mining assets, as assessing recoverability requires significant judgement by management and the directors given the early stage of development.</p>	<p>Our work in this area included the following:</p> <ul style="list-style-type: none"> • Reviewing management's assessment of impairment in accordance with IAS 36 <i>Impairment of Assets</i>, including a review of net present value calculations and challenging key assumptions used, including discount rates, forecast emerald prices, production levels and other significant inputs; • Verifying the mathematical accuracy of management's impairment models; • Obtaining the underlying Competent Person's Report ('CPR') in respect of the Gravelotte Emerald Mine and ensuring consistency with management's impairment model, where applicable; • Assessing the competence, capabilities and objectivity of management's expert in respect of the CPR; • Evaluating management's rationale for the classification of such assets within PPE, and for the absence of depletion given the stage of operations; • Verifying physically a sample of production assets to supporting documentation to confirm correct classification and existence,

<p>As a result of this significant judgement, we have identified this area to be a key audit matter.</p>	<p>through site visit performed by the component auditor; and</p> <ul style="list-style-type: none"> Reviewing the related financial statement disclosures to ensure compliance with IAS 36 and IAS 16 <i>Property, Plant and Equipment</i>. <p><i>Key observations</i></p> <p>Based on the procedures performed, we did not identify any issues in respect of the classification or valuation of the group’s mine development and stripping activity assets within PPE as at 31 December 2025.</p>
<p>Valuation of exploration and evaluation asset (Note 9)</p>	
<p>The group holds material exploration and evaluation assets of £470k relating to its Strategic Minerals Project in Zambia and the Curlew Mine in Australia.</p> <p>Given the early stage nature of these projects and the reliance on management judgement in determining whether the group has the intention and ability to continue exploration, as well as whether facts and circumstances exist that would indicate impairment. The impairment assessment involves a higher degree of estimation uncertainty.</p> <p>In light of the level of estimation uncertainty and significant judgement required to be exercised by management, the valuation of exploration and evaluation assets has therefore been identified as a key audit matter.</p>	<p>Our work in this area included the following:</p> <ul style="list-style-type: none"> Testing a sample of additions to ensure costs have been capitalised in accordance with IFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>; Obtaining confirmation that the group has good title to the applicable licences; Obtaining any relevant technical reports prepared in relation to the group’s exploration projects; Reviewing publicly available information and board minutes to ascertain the status of the projects and identify any potential impairment indicators; Reviewing management’s assessment of impairment and considering whether there are any indicators of impairment as per IFRS 6. Providing challenge to, and corroborating, key inputs and assumptions made in the assessment; Where an impairment has been recorded during the year in respect of one or more licenses, reviewing the circumstances leading to the impairment and ensuring this has been recorded at an appropriate amount; and Reviewing disclosures in the financial statements to ensure that they are complete and in accordance with IFRS 6. <p><i>Key observations</i></p> <p>Based on the audit work performed, we do not consider the carrying value of exploration and evaluation assets at the year-end to be materially misstated.</p> <p>However, we draw attention to the disclosures made in the “Exploration and evaluation assets” (Note 9) of the Annual Report in relation to the Group’s Zambian exploration licence, which has a carrying value of £276k as at 31 December 2025. The recoverability of this asset is dependent on the successful renewal of the</p>

	underlying licence. Should the renewal not be obtained for any reason, this would result in an impairment of the related exploration and evaluation asset.
<p>Valuation of investments and intercompany balances – parent company (Notes 3 and 4 to the parent company financial statements)</p>	
<p>The parent company holds £755k of investments in subsidiaries and £2.6m of receivables from group companies. These balances represent the most significant assets on the parent company’s statement of financial position.</p> <p>There is a risk of material misstatement relating to the recoverability of these investments and intercompany receivables. The carrying value of the investments is ultimately dependent on the value of the underlying assets held by the subsidiaries. The key assets within those entities are exploration and development projects, for which determining an accurate valuation is inherently challenging at the earlier stages of development.</p> <p>Valuations of these assets rely heavily on judgements and estimates made by the directors, increasing the risk of misstatement. Similar considerations apply to the recoverability of loans to subsidiaries, where the subsidiaries’ ability to repay is directly linked to the value and future prospects of their underlying projects.</p> <p>Due to the subjective nature of these balances and the significant judgement involved in assessing their recoverability, we consider this area to be a key audit matter.</p>	<p>Our work in this area included the following:</p> <ul style="list-style-type: none"> • Confirming ownership of investments; • Obtaining management’s impairment assessment relating to investments in subsidiaries, providing challenge and corroborating key inputs and assumptions made; • Reviewing the investment balances for indicators of impairment in accordance with IAS 36; • Considering the appropriateness of the methodology applied by management in their assessment of the recoverable amount of intragroup loans, and the calculation of any expected credit loss provisions against these balances, in accordance with the requirements of IFRS 9; • Evaluating the recoverability of investments and intragroup loans by reference to underlying net asset values and exploration projects; and • Evaluating the presentation and disclosures in the financial statements in accordance with IFRS. <p><i>Key observations</i></p> <p>Based on the procedures performed, we identified that management had not adequately considered the requirements of the expected credit loss model within IFRS 9 in respect of intercompany receivables, which are undocumented and therefore deemed repayable on demand.</p> <p>As a result of this, management revisited the treatment, which resulted in full provision against the intercompany receivables from Malaika Developments Limited, Malaika Exploration (Ireland) Limited and Prasinus Explorations Pty Ltd.</p>

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other

information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that

includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and component auditor, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:
 - Companies Act 2006;
 - Listing Rules;
 - Quoted Companies Alliance (QCA) Corporate Governance code;
 - Disclosure Guidance and Transparency Rules;
 - UK tax and employment law;
 - Local mining and environmental regulations in South Africa, Zambia and Australia; and
 - Anti-bribery and money laundering regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and the parent company with those laws and regulations. These procedures included, but were not limited to:
 - Making enquiries of management;
 - Reviewing legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations; and
 - Reviewing minutes of meetings of those charged with governance and Regulatory News Service announcements.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the classification and valuation of mine development and stripping activity, valuation of exploration assets and valuation of investments and intercompany balances. We addressed this by challenging the key assumptions and judgements made by management in relation to this balance. The work performed on this area is disclosed above within the Key audit matters section of our report.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and reviewing significant transactions in the banks statements to identify potentially large or unusual transactions that do not appear to be in line with our understanding of business operations.
- Our review of non-compliance with laws and regulations incorporated the listed parent company and scoped in components where applicable based on risk, including review of the component auditor's work in respect of the South African component.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the

events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Board of Directors on 24 November 2025 to audit the financial statements for the period ending 31 December 2025. Our total uninterrupted period of engagement is one year, covering the period ending 31 December 2025.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Imogen Massey (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

30 Churchill Place
London
E14 5RE

Date: 29 April 2026

Consolidated Statement of Comprehensive Income

	Note	31 Dec 2025 £'000s	31 Dec 2024 £'000s <i>Restated*</i>
Continuing operations			
Revenue		45	-
Cost of sales		(271)	-
Gross loss		(226)	-
Operating expenses	3	(729)	(1,152)
Change in fair value of derivative asset	12	(18)	18
Change in fair value of contingent consideration	14	74	32
Impairment of exploration and evaluation assets	9	-	(754)
Operating loss		(899)	(1,856)
Finance income		13	-
Finance cost		(56)	(6)
Loss before taxation		(942)	(1,862)
Taxation	4	8	-
Loss for the year		(934)	(1,862)
Attributable to:			
Owners of the parent		(864)	(1,728)
Non-controlling interest		(70)	(134)
		(934)	(1,862)
Other comprehensive income			
Loss for the year		(934)	(1,862)
<i>Items that may be reclassified to profit or loss:</i>			
Exchange difference on translation of foreign operations		13	(66)
Total comprehensive loss for the year		(921)	(1,928)
Attributable to:			
Owners of the parent		(823)	(1,772)
Non-controlling interest		(98)	(156)
		(921)	(1,928)

The notes to these consolidated financial statements on pages 64 to 98 form an integral part of these consolidated financial statements. * For details of restatement please refer to note 28.

Consolidated Statement of Comprehensive Income (continued)

	Note	31 Dec 2025	31 Dec 2024 <i>Restated*</i>
Earnings per share			
Basic and diluted earnings per share (pence)	6	(0.21)	(0.61)

The notes to these consolidated financial statements on pages 64 to 98 form an integral part of these consolidated financial statements. * For details of restatement please refer to note 28.

Consolidated Statement of Financial Position

Company number: 05329401

		31 Dec 2025 £'000s	31 Dec 2024 £'000s <i>Restated*</i>	1 Jan 2024 £'000s <i>Restated*</i>
ASSETS	Note			
Non-current assets				
Property, plant and equipment	7	370	402	31
Right of use asset	8	19	29	34
Derivative asset	12	-	18	-
Exploration and evaluation assets	9	470	462	1,176
Total non-current assets		859	911	1,241
Current assets				
Inventories	10	38	9	-
Other receivables	11	30	101	239
Restricted cash	13	13	12	-
Cash and cash equivalents		1,613	414	674
Total current assets		1,694	536	913
Total assets		2,553	1,447	2,154
LIABILITIES				
Non-current liabilities				
Lease liabilities	8	(7)	(19)	(26)
Contingent consideration	14	(67)	(141)	(173)
Provisions	15	(40)	(12)	-
Convertible debt	18	(1,337)	-	-
Deferred tax liability	16	-	(8)	-
Total non-current liabilities		(1,451)	(180)	(199)
Current liabilities				
Trade and other payables	17	(456)	(488)	(81)
Lease liabilities	8	(12)	(10)	(9)
Total current liabilities		(468)	(498)	(90)
Total liabilities		(1,919)	(678)	(289)
NET ASSETS		634	769	1,865


The notes to these consolidated financial statements on pages 64 to 98 form an integral part of these consolidated financial statements. * For details of restatement please refer to note 28.

Consolidated Statement of Financial Position (continued)

	Note	31 Dec 2025 £'000s	31 Dec 2024 £'000s <i>Restated*</i>	1 Jan 2024 £'000s <i>Restated*</i>
EQUITY				
Share capital	19	62	30	25
Share premium	19	5,264	4,690	3,980
Share option reserve	20	227	227	142
Share warrant reserve	20	60	262	250
Equity component of convertible notes	20	180	-	-
Currency translation reserve	20	(104)	(145)	(101)
Accumulated deficit		(4,752)	(4,090)	(2,362)
Total equity attributable to equity owners of the parent		937	974	1,934
Non-controlling interest		(303)	(205)	(69)
TOTAL EQUITY		634	769	1,865

The notes to these consolidated financial statements on pages 64 to 98 form an integral part of these consolidated financial statements. * For details of restatement please refer to note 28.

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 29 April 2026 and signed on its behalf by:


Louis Ching
Executive Chairman

Consolidated Statement of Changes in Equity

	Share capital £'000s	Share premium £'000s	Share option reserve £'000s	Share warrant reserve £'000s	Equity component of convertible notes £'000s	Currency translation reserve £'000s	Accumulated deficit £'000s	Non-controlling interest £'000s	Total equity £'000s
Balance at 1 January 2024	25	3,980	142	250	-	(101)	(2,362)	(69)	1,865
Loss for the period (re-stated*)	-	-	-	-	-	-	(1,728)	(134)	(1,862)
Other comprehensive income	-	-	-	-	-	(44)	-	(22)	(66)
Total comprehensive income (restated*)	-	-	-	-	-	(44)	(1,728)	(156)	(1,928)
Net equity issued	5	722	-	-	-	-	-	-	727
Share warrant reserve	-	(12)	-	12	-	-	-	-	-
Share option reserve	-	-	85	-	-	-	-	-	85
Acquisition of subsidiary	-	-	-	-	-	-	-	20	20
Balance at 31 December 2024 (restated*)	30	4,690	227	262	-	(145)	(4,090)	(205)	769

The notes to these consolidated financial statements on pages 64 to 98 form an integral part of these consolidated financial statements. Refer to note 20 for a description of reserves. * For details of restatement please refer to note 28.

Consolidated Statement of Changes in Equity (continued)

	Share capital £'000s	Share premium £'000s	Share option reserve £'000s	Share warrant reserve £'000s	Equity component of convertible notes £'000s	Currency translation reserve £'000s	Accumulated deficit £'000s	Non-controlling interest £'000s	Total equity £'000s
Balance at 1 January 2025 (restated)*	30	4,690	227	262	-	(145)	(4,090)	(205)	769
Loss for the period	-	-	-	-	-	-	(864)	(70)	(934)
Other comprehensive income	-	-	-	-	-	41	-	(28)	13
Total comprehensive income	-	-	-	-	-	94	(864)	(98)	(921)
Net equity issued	32	574	-	-	-	-	-	-	606
Lapsed warrants	-	-	-	(202)	-	-	202	-	-
Issue of convertible loan notes	-	-	-	-	180	-	-	-	180
Balance at 31 December 2025	62	5,264	227	60	180	(104)	(4,752)	(303)	634

The notes to these consolidated financial statements on pages 64 to 98 form an integral part of these consolidated financial statements. Refer to note 20 for a description of reserves. * For details of restatement please refer to note 28.

Consolidated Statement of Cash Flows

	Note	31 Dec 2025 £'000s	31 Dec 2024 £'000s <i>Restated*</i>
Cash flows from operating activities			
Loss for the period before taxation		(942)	(1,862)
Adjustments for:			
Finance costs		43	6
Change in fair value of derivative asset		18	(18)
Change in fair value of contingent consideration		(74)	(32)
Amortisation/depreciation and impairment		87	799
Share based payment charge		-	85
Foreign exchange		37	-
Increase in inventories	10	(29)	(9)
Decrease in receivables	11	71	85
Increase in payables	17	8	396
Net cash used in operating activities		(781)	(550)
Cash flows from investing activities			
Purchase of property plant and equipment	7	-	(125)
Purchase of intangible asset	9	(3)	(58)
Acquisition of subsidiary, net of cash acquired	27	-	(232)
Interest received		13	-
Net cash from / (used) in investing activities		10	(415)
Cash flows from financing activities			
Issue of shares for cash, net of costs	19	567	727
Proceeds from issue of convertible loan notes	18	1,500	-
Finance costs		(39)	(6)
Finance lease payments		(10)	(12)
Net cash from financing activities		2,018	709
Net increase / (decrease) in cash and cash equivalents		1,247	(256)
Foreign exchange translation differences		(48)	(4)
Cash and cash equivalents at beginning of the year		414	674
Cash and cash equivalents at the end of the year		1,613	414

The notes to these consolidated financial statements on pages 64 to 98 form an integral part of these consolidated financial statements. * For details of restatement please refer to note 28.

Notes to the Consolidated Financial Statements

1. General information

Gem Resources Plc (“the Company” or “GEMR”) is domiciled in England and Wales having been incorporated on 11 January 2005 under the Companies Act with registered number 05329401 as a public company limited by shares. On 2 March 2022, the Company’s shares were admitted to what is now the Equity Shares (Transition) category and to trading on the Main Market of the London Stock Exchange. The Company changed its name from URA Holdings Plc to Gem Resources Plc on 30 September 2024.

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below. These policies have been applied to all years presented, unless otherwise stated below.

In the opinion of the Directors the consolidated financial statements present fairly the financial position, and results from operations and cash flows for the period in conformity with the generally accepted accounting principles consistently applied.

2. Accounting policies

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards (‘UK-IAS’).

Basis of preparation

The consolidated and company financial statements are prepared on the going concern basis, under the historical cost convention as modified for fair value accounting, if applicable. The consolidated financial statements are presented in Pounds Sterling and have been rounded to the nearest £’000.

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. The functional currency of the parent company is Pounds Sterling (£) as this is the currency that finance is raised in. The functional currency of its South African subsidiary is South African Rands (ZAR) as this is the currency that mainly influences labour, material and other costs of providing services. The functional currency of its Zambian subsidiary is Zambian Kwacha, being the currency in which the majority of the Zambian company’s transactions are denominated. The functional currency of its Australian subsidiary is Australian Dollars, being the currency in which the majority of the company’s transactions are denominated. The Group has chosen to present its consolidated financial statements in Pounds Sterling (£), as the Directors believe it is the most relevant presentational currency for users of the consolidated financial statements. All values are rounded to the nearest thousand pounds (£’000) unless otherwise stated. Foreign operations are included in accordance with the policies set out below.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial information are disclosed at the end of note 2.

Going concern

During the year ended 31 December 2025, the Group incurred a loss of £0.9 million (2024: £1.9 million), the Company incurred a loss of £0.7 million (2024: £1.4 million) and experienced net cash outflows from operating activities. Cash and cash equivalents for the Group totalled £1,613,000 as at 31 December 2025 (2024: £414,000) and £129,000 as at 31 December 2025 (2024: £283,000) for the Company.

The Group's consolidated financial statements and Company's financial statements have been prepared on a going concern basis, which assumes that the Group and Company will be able to realise its assets and discharge its liabilities in the normal course of business for at least twelve months from the date of approval of these financial statements.

Management has assessed the Group and Company's ability to continue as a going concern in light of the current economic uncertainty following the recent conflict in Iran. The geopolitical developments have led to increased volatility in global financial markets, disruptions to certain supply chains, and heightened uncertainty around investor sentiment toward certain asset classes, including digital assets.

Post year end, the Group holds investments in cryptocurrencies. The value of these holdings is subject to significant fluctuations due to market sentiment, regulatory developments, and broader macroeconomic conditions. The conflict and resulting regional tension have, at times, materially affected cryptocurrency market valuations and liquidity. In conducting its assessment, management has reviewed severe but plausible downside scenarios reflecting potential further declines in crypto asset values and reductions in market liquidity.

While these scenarios indicate that a material reduction in cryptocurrency values could impact the Group and Company's net asset position, the Directors have identified mitigating actions available to preserve liquidity, including the potential reduction of discretionary expenditure, deferral of capital programmes, and the selective disposal of non-core assets. In September 2025, 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. In conjunction with the issue of Convertible Loan Note, the Company and its Directors have agreed that outstanding and accrued and unpaid Board and management fees, totalling approximately £230,000 (gross), would be converted into Ordinary Shares at the Conversion Price, showing the continued support from its management.

After considering the above factors, and the available mitigating actions, the Directors have a reasonable expectation that the Group and Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on a going concern basis.

Nevertheless, given the unpredictable nature of the geopolitical situation and the inherent volatility of cryptocurrency markets, there remains a risk that future events could have a material adverse impact on the Group and Company's trading performance and financial position that may require the Group and Company to raise additional working capital to advance its projects within the 12 months following the date of approval of these financial statements. Management has successfully raised money in the past, but there is no guarantee that adequate funds will be

available when needed in the future. These uncertainties represent a material uncertainty that may cast significant doubt upon the Group and Company's ability to continue as a going concern.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group and Company not continue as a going concern.

Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at cost and comprise cash in hand, cash at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are included within borrowings in current liabilities on the consolidated statement of financial position. For the purposes of the statement of cash flows, cash and cash equivalents also includes any bank overdrafts.

Property plant and equipment

Property, plant, equipment and mine development includes buildings and infrastructure, machinery, plant and equipment, site preparation and development that are expected to be used during more than one period.

Assets that are in the process of being constructed are measured at cost less accumulated impairment and are not depreciated. All other classes of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment.

Direct costs incurred on major projects during the period of development are capitalised. Subsequent expenditure on property, plant and equipment is capitalised only when the expenditure enhances the value or output of the asset beyond original expectations, it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Costs incurred on repairing and maintaining assets are recognised in the income statement in the period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Depreciation is charged to profit or loss so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method or unit of production method. The following useful lives are used for the depreciation of property, plant and equipment:

Item	Depreciation method	Average useful life
Furniture and fittings	Straight line	6
Vehicles	Straight line	5
Plant and equipment	Straight line	6
Mine Development and Stripping Activity	Unit of production	Life of Mine*

* Depreciation of mining assets is computed principally by the unit-of-production method over life-of-identified ore based on estimated quantities of recoverable inferred resources, which can be recovered in future from known mineral deposits.

Development begins once the technical feasibility and commercial viability of extracting mineral resources have been established. At this stage, expenditures incurred to bring the property to commercial production are classified as development costs and depreciated on a unit-of-production method as referred to above. These costs include activities such as constructing haul roads, removing overburden, and building facilities necessary for extraction and treatment.

The costs of stripping activity which provides a benefit in the form of improved access to ore is capitalised as a non-current asset.

Intangible assets - Exploration and evaluation assets

All costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are written off as incurred. Following the granting of a prospecting right, general administration and overhead costs directly attributable to exploration and evaluation activities are expensed and all other costs are capitalised and recorded at cost on initial recognition. As the capitalised exploration and evaluation expenditure asset is not available for use, it is not depreciated.

The following expenditures are included in the initial and subsequent measurement of the exploration and evaluation assets:

- Acquisition of rights to explore;
- Topographical, geological, geochemical or geographical studies;
- Exploratory drilling;
- Trenching;
- Sampling;
- Activities in relation to the evaluation of both the technical feasibility and the commercial viability of extracting minerals;
- Exploration staff related costs; and
- Equipment and infrastructure.

Exploration and evaluation costs that have been capitalised are classified as either tangible or intangible according to the nature of the assets acquired and this classification is consistently applied.

If commercial reserves are developed, the related deferred exploration and evaluation costs are then reclassified as development and production assets within property, plant and equipment.

All capitalised exploration and evaluation expenditure is monitored for indications of impairment in accordance with IFRS 6.

Taxation

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Group operates.

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit or loss. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets

are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The Group has losses to be carried forward on which no deferred tax asset is recognised due to the uncertainty as to the timing of profit.

Financial instruments

Classification and measurement

The Group classifies its financial instruments into the following categories:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through profit and loss;
- Financial liabilities measured at amortised cost; and
- Derivative financial instruments are accounted for at fair value through profit and loss.

Classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of financial assets at initial recognition. Generally, the Group does not acquire financial assets for the purpose of selling in the short term. The Group's business model is primarily that of "hold to collect" (where assets are held in order to collect contractual cash flows).

Financial assets held at amortised cost

This classification applies to debt instruments which are held under a hold to collect business model and which have cash flows that meet the "solely payments of principal and interest" ("SPPI") criteria.

At initial recognition, trade and other receivables that do not have a significant financing component are recognised at their transaction price. Other financial assets are initially recognised at fair value plus related transaction costs. They are subsequently measured at amortised cost using the effective interest method. Any gain or loss on de-recognition or modification of a financial asset held at amortised cost is recognised in the income statement.

Financial assets and liabilities held at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. Assets and liabilities in this category are classified as current if they are expected to be settled within twelve months, otherwise they are classified as non-current.

Impairment of financial assets

A forward-looking expected credit loss ("ECL") review is required for debt instruments measured at amortised cost or held at fair value through other comprehensive income, financial guarantees not measured at fair value through profit or loss and other receivables that give rise to an unconditional right to consideration.

As permitted by IFRS 9, the Group applies the "simplified approach" to trade receivables, contract assets and lease receivables and the "general approach" to all other financial assets. The general approach incorporates a review for any significant increase in counterparty credit risk since inception. The ECL reviews include assumptions about the risk of default and expected loss rates.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are classified as financial assets at amortised cost.

Trade and other payables

Trade and other payables are classified as financial liabilities at amortised cost.

Derivative asset

The Group entered into a contractual arrangement that provides it with the right, but not an obligation, to acquire additional ownership interest in an existing subsidiary from a non-controlling shareholder. The Group accounts for the arrangement as a derivative asset measured at fair value with changes in fair value at each reporting date recognised in profit or loss.

Investments

Investments are recognised at cost less impairment.

Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at any time up to 3 September 2028 or at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the increase of new shares or options are shown in equity as a deduction from the proceeds.

Share based payments

The Company enters equity-settled share-based compensation plans with its Directors and contractors, in which the counterparty provides services to the Company in exchange for remuneration in the form of certain equity instruments of the Company. The equity instruments comprise warrants and share options.

The services received by the Company in these share-based payment agreements are measured by reference to the fair value of the equity instruments at the date of grant and are recognised as an expense in the statement of total comprehensive income with a corresponding increase in equity.

The Company estimates the fair value of the equity instruments at the grant date using the Black Scholes model in which the terms and conditions upon which those equity instruments were granted are considered. Share options exercised are allocated to share capital or when lapsed are derecognised at that point in time against retained earnings.

Warrants

Warrants issued are recognised at fair value at the date of grant. The fair value is measured using the Black-Scholes model. Where warrants are issued in respect of services rendered, the fair value is expensed over the vesting period (if applicable). Where warrants are considered to represent a transaction cost attributable to a liability recorded at amortised cost, the fair value is deducted from the liability and amortised subsequently through the effective interest rate. Where a fixed number of warrants are issued and the exercise price is in functional currency of the issuer the warrant fair value is credited to equity.

Foreign currency and foreign exchange reserves

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Earnings per share

Basic earnings per share is calculated by dividing;

- the profit or loss attributable to the owners of the company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- weighted average number of ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

New standards and interpretations

a) *New standards, amendments and interpretations adopted by the Group.*

There were no new or amended accounting standards that required the Group to change its accounting policies for the year ended 31 December 2025 and no new standards, amendments or interpretations were adopted by the Group.

b) *New standards, amendments and interpretations not yet adopted by the Group.*

The standards and interpretations that are relevant to the Group, issued, but not yet effective, up to the date of the Financial Statements are listed below. The Group intends to adopt these standards, if applicable, when they become effective. The Directors do not expect any material impact as a result of adopting the standards and amendments listed above in the financial year they become effective.

<i>Standard</i>	<i>Impact on initial application</i>	<i>Effective date</i>
Annual Improvements to IFRS standards – Volume 11	Streamlined process for dealing efficiently with a collection of amendments to IFRSs	1 January 2026
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 <i>Financial Instruments</i> .	1 January 2026
IFRS 18 <i>Presentation and Disclosures in Financial Statements</i>	IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.	1 January 2027

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Per IFRS 10, control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

The Group recognises any non-controlling interest in the acquired entity at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The loss attributable to non-controlling interest represents 26% of the total losses from the South African subsidiaries' operations and 35% of the total losses from the Australian subsidiary operations. For the South African operations, non-controlling interests represent a 26% equity interest held by BEE shareholders. Losses attributable to non-controlling interests have been calculated proportionally and reported within equity.

Business combinations

The Group accounts for transactions that meet the definition of a business combinations using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date and are initially recognised at their fair values at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognized either in the profit or loss or as a change to other comprehensive income.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Inventory

Inventory is measured at lower of weighted average cost and net realisable value.

Right-of-use-assets

The group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use-assets includes the amount of lease liabilities recognised, initial direct costs, and lease payments made at or before the commencement date less any incentives received.

Right-of-use-assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If the ownership of the leased assets transfers to the group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Provisions

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The provision for environmental rehabilitation is recognised as and when an obligation to incur rehabilitation and mine closure costs arises from environmental disturbance caused by the development or ongoing production of a mining property. For South Africa, the liability is calculated based on the determined values as per the Department of Mineral Resources and Energy (“DMRE”) which is reviewed and updated annually.

Revenue

The majority of the Group’s revenue is derived from selling of rough gemstones with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer.

Cost of sales

Cost of sales comprises the cost of inventories sold during the year, including direct mining and processing costs, employee-related costs, contractor charges, consumables, utilities, mine-site overheads and depreciation of mining and processing assets used in production.

Critical Accounting Estimates and Judgements

In applying the Group's accounting policies, which are described in note 2 above, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

a) Critical judgement in the recoverability of exploration and evaluation assets

Exploration and evaluation assets include mineral rights and exploration and evaluation costs, including geophysical, topographical, geological and similar types of costs. Exploration and evaluation costs are capitalised if management concludes that future economic benefits are likely to be realised and determines that economically viable extraction operation can be established as a result of exploration activities and internal assessment of mineral resources. According to 'IFRS 6 Exploration for and evaluation of mineral resources', the potential indicators of impairment include: management's plans to discontinue the exploration activities, lack of further substantial exploration expenditure planned, expiry of exploration licences in the period or in the nearest future, or existence of other data indicating the expenditure capitalised is not recoverable. At the end of each reporting period, management assesses whether such indicators exist for the exploration and evaluation assets capitalised, which requires significant judgement. The exploration projects are actively being progressed and therefore the Company does not believe any circumstances have arisen to indicate these assets require impairment.

b) Critical estimate in accounting for share-based payments and warrants

The Group has issued various share options and warrants to its service providers. These are valued in accordance with IFRS 2 "Share-based payments". The grant date fair value of such share-based payments is calculated using a Black-Scholes model whose input assumptions are derived from market and other internal estimates. Changes to these inputs may impact the related charge.

c) Critical judgement in accounting for contingent consideration

At 31 December 2025, the Group recognised an amount of £67,000 (2024: £141,000) as contingent consideration, which relates to contingent consideration payable to the owners of Gem - Venus Holdings Proprietary Limited, on acquisition of the shares in Gem - Venus Holdings. Under the terms of the SPA, the company was to pay a consideration of AU\$200,000 (£99,323) for each tranche of 5 million Carats of emerald mined, up to a maximum of AU\$2 million (£993,226). In accordance with IFRS 3 paragraph 37, the management has recognised the contingent consideration as part of the consideration transferred in exchange for the acquiree, accordingly the contingent consideration meets the definition of financial instrument as a financial liability, and therefore the management have recognised this in accordance with IAS 32. In recognising this financial liability, the management has used a probability-weighted discount cash flow model and a discount rate of 10%, in accordance with the market conditions, having regard to risk free rate, equity risk premium and country specific risk premium. Changes to these may impact the amount of liability recognised.

d) Valuation of equity instruments – Convertible Loan Notes

Convertible instruments can be complex, containing a number of features which can have a significant impact on the accounting under IFRS 9 Financial Instruments and IAS 32 Presentation of Financial Instruments. The Company determined that the £1,500,000 convertible note issued as announced on 4 September 2025 was a compound financial instrument containing both liability and equity components as the conversion feature results in the conversion of a fixed amount of stated principal into a fixed number of shares, it satisfies the 'fixed for fixed' criterion and, therefore, it is classified as an equity instrument which requires the valuation of the liability component and the equity conversion component. The fair value of the liability component, included in current borrowings, at inception was calculated using a market interest rate for an equivalent instrument without conversion option. The discount rate applied was 10%.

e) Valuation of derivative asset

On 17 July 2024, GEMR entered into an agreement to acquire 65% of the equity share capital of Prasinus Exploration Pty Ltd (“Prasinus”). As part of the agreement, GEMR obtained the option to acquire the remaining 35% share capital under a call option. The call option is valid for a 6-month period, from the first anniversary of the completion of the acquisition to 18 months following the completion of acquisition. The option was granted for a consideration of A\$1.00 and if exercised would require GEMR to pay in its ordinary shares equal in value to A\$300,000 (£148,984) on settlement. Management has determined that this arrangement gives rise to a derivative asset which is required to be measured at fair value at each reporting date. The determination of the fair value of this derivative asset involves significant judgement and estimation uncertainty because the instrument is not traded in an active market and its valuation is based on a binomial option pricing model using significant unobservable inputs. As the valuation incorporates significant inputs that are not based on observable market data, the fair value measurement is classified as Level 3 in the fair value hierarchy. Changes in the assumptions used, particularly expected volatility and the estimated probability and timing of exercise, could materially affect the carrying amount of the derivative asset and the amount of any fair value gain or loss recognised in profit or loss.

e) Critical judgement in classification, capitalisation and valuation of mine development and stripping activities

In determining the accounting treatment of mine development and stripping costs incurred, management exercises significant judgment in assessing whether such expenditure should be capitalised as part of property, plant and equipment or recognised in profit or loss as incurred. This assessment requires management to determine whether the costs relate to the production of inventory in the current period or provide improved access to an identifiable component of the ore body that will be mined in future periods. Mine development and stripping costs are capitalised only when all recognition criteria are met, including where it is probable that future economic benefits associated with the activity will flow to the Group, the relevant component of the ore body can be specifically identified, and the costs attributable to that component can be measured reliably. The determination of the component of the ore body benefiting from the stripping or development activity, and the allocation of costs between current and future production, involves significant judgment and is based on the life-of-mine plan. Capitalised stripping and development assets are depreciated on a unit-of-production basis over the expected useful life of the identified component of the ore body to which they relate. The carrying amount of capitalised mine development and stripping assets is also subject to estimation uncertainty. These assets are reviewed for impairment when facts and circumstances indicate that their carrying amount may not be recoverable. In assessing recoverable amount, management uses discounted future cash flow models that incorporate estimates and assumptions regarding reserves, expected production volumes, future commodity prices, operating costs, capital expenditure, foreign exchange rates, discount rates and the timing of extraction. Changes in these assumptions may result in a material adjustment to the carrying amount of mine development and stripping assets in future reporting periods.

f) Company Only - Critical judgement in the impairment assessment of investment in and loans granted to subsidiaries

In preparing the parent company financial statements, the Directors apply their judgement to decide if any or all of the Company's investments (including capital contributions) in its subsidiaries should be impaired.

In undertaking their review, the Directors consider the outcome of their impairment assessment in accordance with IAS 36. The Company assesses, at each reporting date, whether there is an indication that an investment may be impaired. If any indication exists, or when annual impairment testing for an investment is required, the Company estimates the investment's recoverable amount. Recoverable amount is the higher of an investment's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. The CGU's were determined to be the three operational locations at Gravelotte, Malaika and Prasinus. Recoverable amount is determined for an individual investment, unless the investment does not generate cash inflows that are largely independent of those from other investment or Groups of investments. When the carrying amount of an investment or CGU exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The application of the IFRS 9 to loans due from subsidiary undertakings requires significant management judgement and estimation. In particular, judgement is required in assessing whether there has been a significant increase in credit risk since initial recognition and therefore whether a 12-month ECL or lifetime ECL should be recognised for each exposure. This assessment is inherently judgemental because the loans are to related parties for which there is limited observable market data and the recoverability of the balances depends primarily on the future financial performance and cash generation of the relevant subsidiary undertakings. Given the level of estimation involved, the ECL provision is sensitive to changes in assumptions regarding the future profitability, cash generation and funding position of the relevant subsidiary. A different assessment of increase in credit risk, or changes in forecast cash flows and economic conditions, could result in a material change to the impairment allowance recognised in future periods.

3. Operating expenses

	2025	2024
	£'000s	£'000s
Audit fee of current auditor - Group	(80)	-
Audit fee of predecessor auditor– Group	-	(90)
Audit fee of predecessor auditor - Group - preceding periods under accrual	(3)	(25)
Audit fee - Subsidiaries	(10)	(13)
Accounting	(79)	(49)
Amortisation and depreciation	(87)	(45)
Directors' remuneration	(190)	(205)
Staff salaries	(48)	(40)
General expenses	(6)	(51)
Legal and professional fees	(112)	(123)
Foreign exchange losses	(37)	-
Consultancy fees	(40)	(13)
FCA fee	(26)	(25)
Director and officer insurance	(6)	(8)
Share based payment expense	-	(85)
Other operating expenses	(5)	(380)
Total	(729)	(1,152)

4. Taxation

	2025 £'000s	2024 £'000s
UK Corporation tax	-	-
Deferred tax	8	-
Total tax charge	8	-
The tax charge can be reconciled to the profit for the period as follows:		
Loss for the period	(942)	(1,862)
Tax at the standard rate of UK corporation tax of 25% (2024: 25%)	(236)	(466)
<i>Effects of:</i>		
Disallowed expenses	1	1
Increase in tax losses carried forward	243	465
Total tax charge	8	-

As at 31 December 2025, the Company had unused tax losses of £5.7 million (2024: £5.4 million) available for offset against future profits. The deferred tax asset relating to these losses is not provided for due to the uncertainty over the timing of any future non-trading profits.

5. Staff Costs (including Directors)

	2025 £'000s	2024 £'000s
As salary and fees:		
Peter Redmond	40	35
John Treacy	24	24
Edward Nealon	40	43
Bernard Olivier	70	63
Sam Mulligan ¹	(24)	40
Louis Ching	33	-
Hans Wong	8	-
Other staff	40	40
Other consultants	82	77
Closing balance	313	322

¹ Sam Mulligan resigned on 18 June 2025 and previous accrued fees reversed.

The average monthly number of employees, including the Directors, during the year was as follows:

	2025	2024
Staff/consultants	24	28
Directors	7	5
Total	31	33

Included within staff costs is an amount of £40,000 paid to Jeremy Sturgess-Smith who is a Key Management Personnel. An amount of £nil (2024: £34,161) has been charged in respect of unapproved option plan for Jeremy Sturgess-Smith.

Wessel Marais and Louis Swart are both directors at the South African entities of the Group and are considered Key Management Personnel. An amount of £46,000 (2024: £61,510) has been charged to professional and accounting fees for Wessel Marais and £36,000 (2024: £15,000) for Louis Swart.

Share based payments

The amount recognised in respect of share-based payments was £nil (2024: £85,403).

The Group has established share option programmes that entitle certain employees to purchase shares in the Group.

Share options outstanding to Directors or employees are as follows:

Name	Number of Options:	Exercise Price:	Date of Grant:	Expiry Date:
Bernard Olivier	8,000,000	1 st Tranche – 2p per share; 2 nd tranche- 2.5p per share and 3rd tranche 2.7p per share.	1 September 2021	1 September 2031
Peter Redmond	4,000,000	1 st Tranche – 2p per share; 2 nd tranche- 2.5p per share and 3rd tranche 2.7p per share.	1 September 2021	1 September 2031
Jeremy Sturgess-Smith	8,000,000	1 st Tranche – 2p per share; 2 nd tranche- 2.5p per share and 3rd tranche 2.7p per share.	1 September 2021	1 September 2031

In all cases the options vest in three equal tranches. The initial tranche, equal to 25% of the total award, vested on 2 March 2022, at the Company's initial listing on the Main Market of the London Stock Exchange, with an exercise price of 2 pence per share; the second tranche, equal to 37.5% of the total award, vested on 2 March 2023, on the first anniversary of the Company's initial listing at an exercise price equal to 2.5 pence per share; and the third tranche, equal to 37.5% of the total award, vests on 2 March 2024, the second anniversary of the Company's initial listing at an exercise price of 2.7 pence per share.

There are no performance conditions attaching to these options. No options were exercised in 2025 (2024: Nil).

No new options were issued during 2025 and the total options in issue as at 31 December 2025 amount to 20,000,000 (2024: 20,000,000).

Pensions

The Company did not operate a pension scheme during the period and has not paid any contributions to any scheme for Directors and employees.

All eligible Directors and employees have been invited to participate in the Company's pension scheme with True Potential. All Directors and employees have opted out of the workplace pension.

6. Earnings per share

Earnings per share is calculated by dividing the loss for the period attributable to ordinary equity shareholders of the parent by the number of ordinary shares outstanding during the year.

During the year the calculation was based on the loss for the year attributable to owners of the parent of £864,000 (2024: £1,728,000) divided by the weighted number of ordinary shares 406,545,749 (2024: 283,957,748).

The diluted loss per share and the basic loss per share are recorded as the same amount as conversion of the share options and warrants decreases the basic loss per share, thus being anti-dilutive.

7. Property, plant and equipment

	Fixture and fittings £'000	Plant and equipment £'000	Mine development and stripping activity £'000	Total Assets £'000
	Restated	Restated	Restated	Restated
COST				
At 1 January 2025	44	255	206	505
Additions	-	-	25	25
Foreign exchange	2	11	12	25
At 31 December 2025	46	266	243	555
AMORTISATION / IMPAIRMENT				
At 1 January 2025	24	79	-	103
Charge for the year	5	71	-	76
Foreign exchange	1	5	-	6
At 31 December 2025	30	155	-	185
CARRYING VALUE				
At 31 December 2025	16	111	243	370
At 31 December 2024	20	176	206	402

8. Leases

Right of use asset

Following are the changes in the carrying value of right of use assets for the year ended 31 December 2025.

	Car Lease £'000
COST	
At 1 January 2025	34
Foreign exchange	1
At 31 December 2025	35
DEPRECIATION	
At 1 January 2025	5
Charge for the year	11
Foreign exchange	-
At 31 December 2025	16
CARRYING VALUE	
At 31 December 2025	19
At 31 December 2024	29

Lease liabilities

	2025 £'000s	2024 £'000s
Minimum lease payments which fall due		
- Within one year	14	14
- In second to fifth year inclusive	7	20
	21	34
Less: future finance charges	(2)	(5)
Present value of minimum lease payments	19	29

	2025 £'000s	2024 £'000s
Current lease liabilities	12	10
Non-current lease liabilities	7	19
	19	29

9. Exploration and evaluation assets

	2025 £'000s	2024 £'000s Restated
Cost and net book value		
At beginning of period	462	1,176
Additions during the year	3	58
Acquired through business combination	-	189
Transfer to property, plant and equipment	-	(205)
Impairment	-	(754)
Foreign exchange	5	(2)
Closing balance	470	462

In accordance with IFRS 6, the Directors undertook an assessment of the following areas and circumstances which could indicate the existence of impairment:

- The Group's right to explore in an area has expired or will expire in the near future without renewal.

- No further exploration or evaluation is planned or budgeted for.
- A decision has been taken by the Board to discontinue exploration and evaluation in an area due to the absence of a commercial level of reserves.
- Sufficient data exists to indicate that the book value may not be fully recovered from future development and production.

During 2024, the Company was informed that the renewal of one of its licences held by Malaika Developments Limited was rejected. Following this, an appeal was lodged directly with the Minister of Mines and we are awaiting a response. Given the uncertainty around the renewal, the Directors concluded that an impairment charge in respect of the rejected licence application, was necessary for the year ended 31 December 2024. The estimate was based on the proportionate size of the licence area not renewed. The one remaining licence of Malaika Developments Limited expired on 30 January 2026 and an application for renewal has been submitted. Management assessed there is a high probability for the licence to be renewed and therefore does not indicate an existence of impairment.

10. Inventories

	2025 £'000s	2024 £'000s
Rough inventory carried at lower of cost and net realisable value	38	9
Closing balance	38	9

11. Other Receivables

	2025 £'000s	2024 £'000s
Prepayments	18	30
Sundry debtors	-	15
VAT recoverable	12	56
Closing balance	30	101

The Directors consider that the carrying amount of other receivables is approximately equal to their fair value. Included in sundry debtors for 2024 is an amount of £15,000 due by Peter Redmond which is unsecured and interest free.

12. Derivative asset

	2025 £'000s	2024 £'000s Restated
At beginning of period	18	-
Derivative asset at initial recognition	-	23
Change in fair value	(18)	(5)
Closing balance	-	18

On 17 July 2024, GEMR entered into an agreement to acquire 65% of the equity share capital of Prasinus Exploration Pty Ltd ("Prasinus"). As part of the agreement, GEMR obtained the option to acquire the remaining 35% share capital under a call option. The call option is valid for a 6-month period, from the first anniversary of the completion of the acquisition to 18 months following the completion of acquisition. The option was granted for a consideration of A\$1.00 and if

exercised would require GEMR to pay in its ordinary shares equal in value to A\$300,000 (£148,984) on settlement.

The option is a derivative financial instrument recognised on the statement of financial position at fair value. The option expired unexercised on 17 January 2026.

13. Restricted cash

	2025 £'000s	2024 £'000s
At beginning of period	12	-
Deposited at DMRE	-	12
Foreign exchange	1	-
Closing balance	13	12

Restricted cash consists of amounts paid as rehabilitation deposit to the Department of Mineral Resources and Energy (“DMRE”) in South Africa. The deposit is refundable upon mine closure or licence surrender conditional upon the statutory rehabilitation obligations being completed to the satisfaction of the DMRE.

14. Contingent consideration

	2025 £'000s	2024 £'000s Restated
At beginning of period	141	173
Change in fair value	(74)	(32)
Closing balance	67	141

On 24 February 2023, the Company completed its acquisition of the entire issued share capital of Gem – Venus Holdings Proprietary Limited for a consideration in form of fully paid up GEMR shares amounting to £100,000 and a contingent consideration.

The contingent consideration arrangement required the Company to pay the former owners of Gem – Venus Holdings Proprietary Limited, a maximum of AU\$2 million (£993,226), payable in tranches of AU\$200,000 (£99,323) for every 5 million carats of gemstones produced at the mine.

In accordance with IFRS 3, management has recognised the contingent consideration as part of the consideration transferred in exchange for the acquiree. The fair value of the contingent consideration was estimated at the acquisition date using a probability-weighted discounted cash flow approach, estimating timing of reaching each 5 million carat milestone at a discount rate of 10%. At the acquisition date, the fair value of this contingent consideration was estimated to be £173,000.

The liability is remeasured to fair value at each reporting period, with any changes recognised in the profit or loss.

15. Provisions

	2025 £'000s	2024 £'000s
Rehabilitation		
At beginning of period	12	-

Provision raised	28	12
Closing balance	40	12

The rehabilitation provision was provided based on DMRE agreed values for expected closure and rehabilitation of mines area and is assessed annually.

16. Deferred tax liability

	2025 £'000s	2024 £'000s
At beginning of period	8	-
Reversal through profit and loss	(8)	-
Acquired through business combination	-	8
Closing balance	-	8

17. Trade and other payables

	2025 £'000s	2024 £'000s
Trade payables	72	232
Other payables	-	17
Accruals	384	239
Closing balance	456	488

The Directors consider that the carrying amount of trade payables approximates to their fair value. Accruals predominantly comprise audit fee accrual of £83,000 (2024: £88,000) and accrued and unpaid Directors and KMP salaries of approximately £276,000 (2024: £125,000).

18. Convertible loan notes

	2025 £'000s	2024 £'000s
Proceeds from issue of convertible loan notes	1,500	-
Amount classified as equity	(180)	-
Interest	42	-
Payments	(25)	-
Closing balance	1,337	-

In September 2025, the Company issued unsecured convertible loan notes in the principal amount of £1.5 million (“Convertible Loan Notes”) to Louis Ching. The Convertible Loan Notes are convertible at £0.003 per share and carry a 5% annual interest, payable semi-annually in arrears on 30 June and 31 December each year and may be converted at any time up until 3 September 2028. Any portion of the loan not converted must be repaid in full at maturity together with accrued interest.

As the conversion feature results in the conversion of a fixed amount of stated principal into a fixed number of shares, it satisfies the ‘fixed for fixed’ criterion and, therefore, it is classified as a compound financial instrument comprising a liability component and an equity component which requires the valuation of the liability component and the equity conversion component. The fair value of the liability component, included in current borrowings (due to being exercisable at any time up to 3 September 2028), at inception was calculated using a market interest rate for an equivalent instrument without conversion option. The discount rate applied was 10%.

19. Share capital

	2025 £'000s	2024 £'000s
Allotted, called up and fully paid share capital	62	30

Movements in Equity

2025	Number of shares in issue
Opening balance of Ordinary Shares in issue of £0.0001 each	302,658,090
Fees settled in shares	5,999,998
Share subscription	308,658,088
Closing balance of Ordinary Shares in issue of £0.0001 each	617,316,176

Issue of Equity in Lieu of Director's Fees

On 28 February 2025, Directors Dr Bernard Oliver, Edward Nealon and Peter Redmond, agreed to the issue of 5,999,998 new ordinary shares of £0.0001 each ("Ordinary Shares") at an issue price of 0.65 pence per Ordinary Share in lieu of cash settlement of part of their accrued and unpaid fees.

In prior year the movements in equity were as below:

2024	Number of shares in issue
Opening balance of Ordinary Shares in issue of £0.0001 each	252,345,590
Shares issued	50,312,500
Closing balance of Ordinary Shares in issue of £0.0001 each	302,658,090

The Company has one class of ordinary share which carry no right to fixed income.

Share Capital

	2025 £'000s	2024 £'000s
At the beginning of the year	30	25
Issued in the year	32	5
At the end of the year	62	30

Share Premium

	2025 £'000s	2024 £'000s
At the beginning of the year	4,690	3,980
Issued in the year	629	883
Issue cost	(55)	(173)
At the end of the year	5,264	4,690

Ordinary shares

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Share Premium

Represents excess paid above nominal value of shares issued.

20. Reserves

The following describes the nature and purpose of each reserve:

Share option reserve

This represents the amounts charged on share options that have been granted to employees and directors less amounts transferred on exercise or lapse.

Share warrant reserve

This represents amounts charged on share warrants granted to service providers less amounts transferred on exercise or lapse.

Foreign exchange translation reserve

This represents amounts charged through other comprehensive income related to the translation of subsidiaries' financial statements from a currency other than the Group's presentation currency (£).

Equity component of convertible loan notes reserve

The reserve for convertible loan notes comprises the amount allocated to the equity component for the convertible loan notes issued by the Company in September 2025.

21. Share-based payments

At the year end, the Company had the following share-based payment plans involving equity settled share options and warrants in existence:

Share options

Number	Date granted	Exercise price	Maximum term	Vesting dates
5,000,000	01/09/2021	2p	Expire on 01/09/2031	Admission
7,500,000	01/09/2021	2.5p	Expire on 01/09/2031	02/03/2023
7,500,000	01/09/2021	2.7p	Expire on 01/09/2031	02/03/2024
20,000,000				

Warrants

Number	Date granted	Exercise price	Maximum term	Vesting dates
125,000	01/09/2023	2.4p	Expire on 31/08/2026	Upon being granted
3,184,000	01/11/2023	1.25p	Expire on 13/12/2026	Upon being granted
1,425,000	26/02/2024	2p	Expire on 25/02/2027	Upon being granted
4,734,000				

The number and weighted average exercise prices of the above options and warrants are as follows:

	31 December 2025		31 December 2024	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at beginning of year	53,609,000	2.12p	52,184,000	2.13p

Lapsed warrants	(28,875,000) ¹	2p	-	-
Warrants issued	-	-	1,425,000	2p
Outstanding at end of year	24,734,000	2.27p	53,609,000	2.12p

¹ Warrants granted on 25 February 2022 with an expiration date of 24 February 2025 lapsed due to expiry.

The share options and warrants have been valued using the Black Scholes option pricing model.

22. Financial instruments

Financial assets and liabilities by category

	2025 £'000s	2024 £'000s Restated
<i>Carrying amount of financial assets</i>		
Current		
Measured at amortised cost		
- Other receivables	4	15
- Restricted cash	13	12
- Cash and cash equivalents	1,613	414
Non-current		
Measured at fair value through profit or loss		
- Derivative asset	-	18
	1,630	459
<i>Carrying amount of financial liabilities</i>		
Current		
Measured at amortised cost		
- Lease liability	12	10
- Trade and other payables	456	488
Non-current		
Measured at amortised cost		
- Lease liability	7	19
- Convertible debt	1,337	-
Measured at fair value through profit or loss		
- Contingent consideration	67	141
	1,879	658

Fair value estimation

The following table compares the carrying amounts and fair values of the Group's financial assets and financial liabilities as at 31 December 2025.

The Group considers that the carrying amount of the following financial assets and financial liabilities are a reasonable approximation of their fair value:

- Other receivables;
- Trade and other payables;
- Convertible debt;
- Restricted cash; and
- Cash and cash equivalents.

	31 December 2025		31 December 2024	
	Carrying amount £'000s	Fair value £'000s	Carrying amount £'000s	Fair value £'000s
<i>Financial Assets</i>				
Derivative asset	-	-	18	18
<i>Financial Liabilities</i>				
Contingent consideration	67	67	141	141

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments.

- (i) Financial instruments measured at fair value
The financial instruments recognised at fair value in the Statement of Financial Position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements.
- (ii) Fair value hierarchy
The fair value hierarchy consists of the following levels
- Quoted prices in active markets for identical assets and liabilities (Level 1);
 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
 - Inputs for the asset and liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	Total £'000s
31 December 2025				
<i>Financial assets</i>				
Derivative asset	-	-	-	-
<i>Financial liabilities</i>				
Contingent consideration	-	-	67	67
31 December 2024				
<i>Financial assets</i>				
Derivative asset	-	-	18	18
<i>Financial liabilities</i>				
Contingent consideration	-	-	141	141

There were no transfers between levels for recurring fair value measurements during the year.

(iii) Reconciliation: Level 3 fair value measurement

	2025 £'000s	2024 £'000s Restated
<i>Derivative asset</i>		
Opening balance	18	-
Derivative asset at initial recognition through profit or loss	-	23
Change in fair value through profit or loss	(18)	(5)
Closing balance	-	18

	2025 £'000s	2024 £'000s Restated
<i>Contingent consideration</i>		
Opening balance	141	173
Change in fair value through profit or loss	(74)	(32)
Closing balance	67	141

(iv) Valuation technique used to determine fair value

Derivative asset:

On 17 July 2024, GEMR entered into an agreement to acquire 65% of the equity share capital of Prasinus Exploration Pty Ltd (“Prasinus”). As part of the agreement, GEMR obtained the option to acquire the remaining 35% share capital under a call option. The call option was valid for a 6-month period, from the first anniversary of the completion of the acquisition to 18 months following the completion of acquisition. The option was granted for a consideration of A\$1.00 and if exercised would require GEMR to pay in its ordinary shares equal in value to A\$300,000 (£148,984) on settlement.

The option is a derivative financial instrument recognised on the statement of financial position at fair value.

The fair value of the option was determined using a binomial option pricing model. The inputs into the model are as follows:

	31 Dec 2025	31 Dec 2024	17 July 2024
Stock price	A\$242.31	A\$242.31	A\$242.31
Exercise price	A\$300.00	A\$300.00	A\$300.00
Sigma per annum	50%	50%	50%
Maximum time	0.04 years	1.04 years	1.5 years
Risk free rate	4%	4%	4%
Dividend yield	0%	0%	0%
Vesting time	0.001 years	0.54 years	1 years

Contingent consideration:

The fair value of this contingent consideration was estimated using a probability-weighted discounted cash flow approach. This method accounts for production scenarios, the estimated timing and probability of reaching each 5-million-carat milestone.

The following significant unobservable inputs were used to determine the fair value (Level 3):

Production forecasts: Based on the Life-of-Mine (LOM) plan, which assumes an average annual production of 1.6 million carats.

Probability of achievement: Management assigned diminishing probabilities to reaching each production tranche within the 17-year forecast period.

Discount rate: A discount rate of 10.37% was applied to the expected cash flows to reflect the time value of money.

23. Financial risk

Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates on classes of financial assets and financial liabilities, was as follows:

	Floating interest rate 2025 £'000s	Floating interest rate 2024 £'000s
Cash	1,613	414
	1,613	414

Financial risk management

The Directors recognise that this is an area in which they may need to develop specific policies should the Company become exposed to further financial risks as the business develops.

Capital risk management

The Company considers capital to be its equity reserves. At the current stage of the Company's life cycle, the Company's objective in managing its capital is to ensure funds raised meet the Company's working capital commitments.

Credit risk management

With respect to credit risk arising from financial assets of the Company, which comprise cash and cash equivalents held in financial institutions, the Company are deemed to be at low credit risk.

Liquidity risk

The Company manages liquidity risk by maintaining adequate banking facilities and borrowing facilities. The Company continuously monitor forecasts and actual cash flows, matching the maturity profiles of financial assets and liabilities and future capital and operating commitments. The Directors consider the Company to have adequate current assets and forecast cash from operations to manage liquidity risks arising from current and non-current liabilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than one year £'000s	Between one and two years £'000s	Between two and five years £'000s	Over five years £'000s
31 December 2025				
Lease liabilities	12	7	-	-
Contingent consideration	-	-	-	995
Trade and other payables	456	-	-	-
Convertible debt	76	76	1,551	-
	544	83	1,551	995
31 December 2024				
Lease liabilities	10	19	-	-
Contingent consideration	-	-	99	887
Trade and other payables	488	-	-	-
Convertible debt	-	-	-	-
	498	19	99	887

Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group reports in Pounds Sterling, but the functional currency of its subsidiaries are in Australian Dollars (AU\$), South African Rands (ZAR) and Zambian Kwacha (ZMW). The Group does not currently hedge its exposure to currencies. The Group's cash and cash equivalents are held in Pounds Sterling, Australian Dollars, South African Rand, Hong Kong Dollars and Zambian Kwacha.

Sensitivity analysis

A 10 per cent strengthening of the Pounds Sterling against the following currencies at 31 December would have increased/(decreased) profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as at 31 December 2024.

	2025 £'000	2024 £'000
Australian Dollars	-	(5)
South African Rand	(30)	(39)
Hong Kong Dollars	(1)	-
United States Dollars	(146)	-
Zambian Kwacha	(3)	1

Funding risk

Funding risk is the possibility that the Group might not have access to the financing it needs. The Group's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital. The Directors are confident that adequate funding will be forthcoming with which to finance operations. The Directors have a strong track record of raising funds as required. Controls over expenditure are carefully managed and activities planned to ensure that the Group has sufficient funding.

24. Related party transactions

(a) Parent entity

The parent entity within the Group is Gem Resources Plc.

(b) Subsidiaries

Interest in subsidiaries are shown in note 3 to the Company Financial Statements.

(c) Transactions with related parties

All the Director's and KMP remuneration as disclosed in note 5.

As was announced on 28 February 2025, the Company issued 5,999,998 new ordinary shares of £0.0001 each ("Ordinary Shares") at an issue price of 0.65 pence per Ordinary Share to the Directors, Bernard Olivier, Edward Nealon and Peter Redmond in lieu of cash settlement of part of their accrued fees totalling £39,000.

	Number of shares issued
Bernard Olivier	3,230,769
Edward Nealon	1,846,153
Peter Redmond	923,076
	5,999,998

The following table provides details of outstanding balances to Directors and KMP at the year-end date:

	2025 £'000s	2024 £'000s
Peter Redmond	31	15
John Treacy	25	9
Edward Nealon	39	18
Bernard Olivier	58	32
Sam Mulligan	-	28
Louis Ching	33	-
Hans Wong	2	-
Jeremy Sturgess-Smith	32	22
Wessel Marais	32	36
Louis Swart	24	-
	276	160

The above amounts outstanding are unsecured and repayable on demand.

As was agreed on 20 November 2025, by resolution at a General Meeting, the Company has the authority to issue 64,836,034 new ordinary shares of £0.0001 each ("Ordinary Shares") at an issue price of 0.3 pence per Ordinary Share to certain Directors and Key Management Personnel in lieu of cash settlement of part of their accrued fees.

As announced on 4 September 2025, GEMR issued unsecured convertible loan notes in the principal amount of £1.5 million ("Convertible Loan Notes") to Louis Ching. The Convertible Loan Notes are convertible at £0.003 per share and carry a 5% annual interest, payable semi-annually in arrears on 30 June and 31 December each year and may be converted at any time up until 3 September 2028. Any portion of the loan not converted must be repaid in full at maturity together with accrued interest.

25. Segment information

An operating segment is a component of the Group that engages in business activities from which it can earn revenues and incurs expenses, including revenue and expenses that relate to transactions with any of the Group's other components.

An operating segment's operating results are reviewed regularly by the Chief Operating Decision Maker ("CODM") which in the case of the Group is the Board of Directors. The CODM makes decisions about the resources to be allocated to the segment and assesses its performance, where discrete financial information is available.

Operating segments

The Board considers that the Group has one operating segment, being that of emerald mining and exploration. Accordingly, all revenues, operating results, assets and liabilities are allocated to this activity. The UK and Hong Kong are used for the administration of the Group.

Geographical segments

The Group's loss before tax arose from its operations in the UK, South Africa, Zambia, Australia and Hong Kong.

For the year ended 2025

	UK £'000	South Africa £'000	Zambia £'000	Australia £'000	Hong Kong £'000	Group £'000
Revenue	-	45	-	-	-	45
Consolidated loss before tax	(537)	(315)	14	(69)	(35)	(942)
Total assets	150	446	276	216	1,465	2,553
Total liabilities	(1,791)	(121)	(2)	(5)	-	(1,919)

For the year ended 2024

	UK £'000	South Africa £'000	Zambia £'000	Australia £'000	Hong Kong £'000	Group £'000
Revenue	-	-	-	-	-	-
Consolidated loss before tax	(1,375)	(442)	(32)	(13)	-	(1,862)
Total assets	365	541	270	271	-	1,447
Total liabilities	(497)	(122)	(38)	(21)	-	(678)

26. Events after the period end date

As at 6 February 2026, the Company's wholly owned subsidiary incorporated in Hong Kong, GemR Corporation Limited ("GEMR HK"), has acquired an aggregate of 9.00000000 Bitcoin ("BTC") for total execution consideration of approximately US\$633,200.00, excluding trading fees of approximately US\$1,484.60. Including trading fees, the total cash outlay was approximately US\$634,684.60. This is a non-adjusting event and does not affect the 31 December 2025 year end balances as the purchases were executed after yearend.

The BTC purchases were executed through multiple individual trades on HashKey Exchange, a regulated digital asset trading platform in Hong Kong, at a volume weighted average execution price, excluding fees, of approximately US\$70,355.56 per BTC, and an all in average acquisition price, including fees, of approximately US\$70,520.51 per BTC.

This initial Bitcoin allocation has been funded entirely from existing Group cash resources. To date, all acquisitions under the policy have been Bitcoin and no other digital assets have yet been acquired. The board of the Company will continue to review the capital adequacy parameters of the cash reserves for the Company to ensure that sufficient working capital for its near-term costs are held in cash.

During Q1 2026, heavy rainfall and significant flooding occurred across the Limpopo Province, causing damaged infrastructure, inaccessible roads, and disruptions to water and electricity supply. The flooding did not cause significant physical damage to the plant, equipment or mine infrastructure at the Gravelotte mine. However, elevated water levels have required sustained dewatering and site access has been intermittently affected. Dewatering and recovery activities are underway. Following dewatering activities the mine would be able to restart production.

27. Acquisition of subsidiaries

In the prior year on 17 July 2024, the Company announced the acquisition of a 65% interest in Prasinus Exploration Pty Ltd (“Prasinus”), the owner of the Curlew Emerald Mine located in the Pilbara Region of Western Australia (“Curlew Mine”) for a consideration of AU\$450,000 (£232,000) and a call option to acquire the remaining 35% interest for a further AU\$300,000 (£149,000) in GEMR shares expiring on 18 January 2026. In the prior year the acquisition was recorded as a business combination, but management has now concluded that the acquiree does not constitute a business as defined in IFRS 3 (no substantive process capable of producing outputs). Refer to note 28 for further details. Accordingly, the transaction has been accounted for as an asset acquisition in terms of IFRS 3 (scope exclusion) and IFRS 6 for exploration and evaluation assets. No goodwill has been recognised. The consideration has been allocated to the identifiable assets and liabilities based on their relative fair values at the acquisition date. The excess of consideration over the fair value of other net identifiable assets has been attributed to exploration and evaluation assets, being the predominant asset acquired.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed as a result of the acquisition are as follows:

	£'000
Exploration and evaluation assets	189
Property, plant and equipment	83
Trade and other receivables	1
Trade and other payables	(13)
Deferred tax liability	(8)
Non-controlling interest at proportionate share	(20)
Total identifiable assets acquired, and liabilities assumed	232
Fair value of consideration paid:	
Cash paid	232
Consideration transferred	232

28. Prior period adjustments

(i) Restatement of prior year balances

Management reviewed the application of IFRS 3 in its historic acquisitions of Malaika Exploration (Ireland) Limited, Gem – Venus Holdings (Pty) Ltd and Prasinus Exploration Pty Ltd. All the acquisitions were accounted for previously as business combinations under IFRS 3. However, the review revealed that Malaika Exploration (Ireland) and Prasinus Exploration Pty Ltd lacked a substantive process to qualify as a business combination and therefore, should have been accounted for as asset acquisitions and that substantially all of the fair value of the gross assets acquired is concentrated in the exploration and evaluation assets acquired. Goodwill is therefore accordingly adjusted.

Furthermore, in the review of the Gem – Venus Holdings (Pty) Ltd business combination a contingent consideration is payable in the amount of a maximum of AU\$2 million (£993,226), payable in tranches of AU\$200,000 (£99,323) for each 5 million carats of emeralds produced at the mined. Management previously has recognised the contingent consideration at AU\$2 million payable in 10 years using a discount rate of 10% recording an interest charge of £44,000 in the prior year and it has been concluded that it should have been fair valued taking into consideration the probability-weighted discounted cash flow approach. This requires recognising the liability based on the estimated future payments, adjusted for the likelihood of achieving the specific targets. The £44,000 interest charge was reversed and a fair value adjustment for the year ended 31 December 2024 of £32,000 was recorded in relation to the contingent consideration.

In the prior year, GEMR entered into an agreement to acquire 65% of the equity share capital of Prasinus Exploration Pty Ltd (“Prasinus”). As part of the agreement, GEMR obtained the option to acquire the remaining 35% share capital under a call option. The call option was valid for a 6-month period, from the first anniversary of the completion of the acquisition to 18 months following the completion of acquisition. The option was granted for a consideration of A\$1.00 and if exercised would require GEMR to pay in its ordinary shares equal in value to A\$300,000 (£148,984) on settlement. The fair value of the option was not accounted for as a derivative asset in the prior year and is now stated at £18,000 as at 31 December 2024.

During the year, the Company identified a prior period presentation error in the stand-alone financial statements whereby an amount of £264,000 had been incorrectly credited against investments in subsidiaries. This amount should instead have been credited against amounts owed by group companies included in other receivables. Accordingly, the prior year comparatives have been restated to reallocate £264,000 from investments in subsidiaries to other receivables.

Consequently, the prior period statement of financial position as at 31 December 2024 and 1 January 2024 have each been restated in accordance with IAS 8, and, in accordance with IAS 1 (revised). The restatement involved adjustments to goodwill, property, plant and equipment, investment in subsidiaries, exploration and evaluation assets, contingent consideration, reduction in interest expense related to the contingent consideration previously incorrectly being discounted and fair value adjustments to the derivative asset through profit and loss.

Impact on adjustment on the consolidated statement of financial position

	1 Jan 2024 (as previously stated) £'000	Prior year adjustment £'000	1 Jan 2024 (as re-stated) £'000
Goodwill	1,286	(1,286)	-
Exploration and evaluation assets	153	1,023	1,176
Contingent consideration	436	(263)	173
Increase in retained earnings	(2,362)	-	(2,362)
Impact on Profit and Loss	(1,132)	-	(1,132)
Effect on total equity		-	

	31 Dec 2024 (as previously stated) £'000	Prior year adjustment £'000	31 Dec 2024 (as re-stated) £'000
Goodwill	728	(728)	-
Property, plant and equipment	373	29	402
Exploration and evaluation assets	26	436	462
Derivative asset	-	18	18
Contingent consideration	479	(338)	141
Increase in retained earnings	(4,184)	94	(4,090)
Impact on Profit and Loss	(1,956)	94	(1,862)
Effect on total equity		94	

Impact on adjustment on the company statement of financial position

	1 Jan 2024 (as previously stated) £'000	Prior year adjustment £'000	1 Jan 2024 (as re-stated) £'000
Investment in subsidiaries	1,272	1 ¹	1,273
Other receivables	846	(264)	582
Contingent consideration	436	(263)	173
Increase in retained earnings	(2,193)	-	(2,193)
Impact on Profit and Loss	(868)	-	(868)
Effect on total equity		-	

¹ Net effect of movement in other receivables and contingent consideration.

	31 Dec 2024 (as previously stated) £'000	Prior year adjustment £'000	31 Dec 2024 (as re-stated) £'000
Investment in subsidiaries	752	1	754
Derivative asset	-	18	18
Contingent consideration	479	(338)	141
Increase in retained earnings	(3,661)	94	(3,567)
Impact on Profit and Loss	(1,468)	94	(1,374)
Effect on total equity		94	

Impact on adjustment on the consolidated statement of comprehensive income

	31 Dec 2024 (as previously stated) £'000	Prior year adjustment £'000	31 Dec 2024 (as re-stated) £'000
Change in fair value of derivative asset	-	18	18
Change in fair value of contingent consideration	-	32	32
Finance cost	(50)	44	(6)

Impact on adjustment on the company statement of comprehensive income

	31 Dec 2024 (as previously stated) £'000	Prior year adjustment £'000	31 Dec 2024 (as re-stated) £'000
Change in fair value of derivative asset	-	18	18
Change in fair value of contingent consideration	-	32	32
Finance cost	(44)	44	-

The earnings per share have been restated as the adjustment affects the profit or loss attributable to owners of the parent used as the numerator.

	31 Dec 2024 (as previously stated) £'000	Prior year adjustment £'000	31 Dec 2024 (as re-stated) £'000
Loss attributable to owners of the parent	(1,822)	94	(1,728)
Earnings per share			
Basic and diluted earnings per share (pence)	(0.64)	0.03	(0.61)

Impact on adjustment on the consolidated statement of cash flows

	31 Dec 2024 (as previously stated) £'000	Prior year adjustment £'000	31 Dec 2024 (as re-stated) £'000
Cash flows from operating activities			
Loss for the period	(1,956)	94	(1,862)
Adjustments for:			
Changes in fair value of derivative asset	-	(18)	(18)
Changes in fair value of contingent consideration	-	(32)	(32)
Finance cost	50	(44)	6

Impact on adjustment on the company statement of cash flows

	31 Dec 2024 (as previously stated) £'000	Prior year adjustment £'000	31 Dec 2024 (as re-stated) £'000
Cash flows from operating activities			
Loss for the period	(1,468)	94	(1,374)
Adjustments for:			
Changes in fair value of derivative asset	-	(18)	(18)
Changes in fair value of contingent consideration	-	(32)	(32)
Finance cost	44	(44)	-

Company Statement of Financial Position

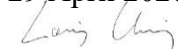
Company number: 05329401

	Note	31 Dec 2025 £'000s	31 Dec 2024 £'000s <i>Restated*</i>	1 Jan 2024 £'000s <i>Restated*</i>
ASSETS				
Non-current assets				
Investment in subsidiaries	3	755	754	1,273
Other receivables	4	216	-	-
Total non-current assets		971	754	1,273
Current assets				
Other receivables	4	2,437	1,084	582
Derivative asset	5	-	18	-
Cash and cash equivalents		129	283	667
Total current assets		2,566	1,385	1,249
Total assets		3,537	2,139	2,522
LIABILITIES				
Non-current liabilities				
Contingent consideration	6	(67)	(141)	(172)
Convertible loan notes	8	(1,337)	-	-
Total non-current liabilities		(1,404)	(141)	(172)
Current liabilities				
Trade and other payables	7	(388)	(356)	(145)
Total current liabilities		(388)	(356)	(145)
Total liabilities		(1,792)	(497)	(317)
NET ASSETS		1,745	1,642	2,204
EQUITY				
Share capital	9	62	30	25
Share premium	9	5,264	4,690	3,980
Share option reserve	10	227	227	142
Share warrant reserve	10	60	262	250
Equity component of convertible notes	11	180	-	-
Accumulated deficit		(4,048)	(3,567)	(2,193)
TOTAL EQUITY		1,745	1,642	2,204

The Company has elected to take the exemption under section 408 of the Companies Act 2006, to not present its own profit and loss account. The Company's total comprehensive loss for the year was £0.7 million (2024: £1.4 million as restated).

The notes to these financial statements on pages 103 to 108 form an integral part of these financial statements. * For details of restatement please refer to note 29 to the consolidated financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 29 April 2026 and signed on its behalf by:


Louis Ching

Executive Chairman

Company Statement of Changes in Equity

	Share Capital £'000s	Share premium £'000s	Share option reserve £'000s	Share warrant reserve £'000s	Equity compo- nent of converti- ble notes £'000s	Accumu- lated deficit £'000s	Total equity £'000s
Balance at 1 January 2024	25	3,980	142	250	-	(2,193)	2,204
Loss for the period (restated*)	-	-	-	-	-	(1,374)	(1,374)
Other comprehensive income (re- stated*)	-	-	-	-	-	-	-
Total comprehensive income (restated*)	-	-	-	-	-	(1,374)	(1,374)
Net equity issued	5	722			-	-	727
Share warrant reserve	-	(12)		12	-	-	-
Share option reserve	-	-	85		-	-	85
Balance at 31 December 2024 (restated*)	30	4,690	227	262	-	(3,567)	1,642

The notes to these financial statements on pages 103 to 108 form an integral part of these financial statements. Refer to note 10 for a description of reserves. * For details of restatement please refer to note 29 to the consolidated financial statements.

Company Statement of Changes in Equity (continued)

	Share Capital £'000s	Share premium £'000s	Share option reserve £'000s	Share warrant reserve £'000s	Equity compo- nent of converti- ble notes £'000s	Accumu- lated deficit £'000s	Total equity £'000s
Balance at 1 January 2025 (re- stated*)	30	4,690	227	262	-	(3,567)	1,642
Loss for the period	-	-	-	-	-	(683)	(683)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	(683)	(683)
Net equity issued	32	574	-	-	-	-	606
Lapsed warrants	-	-	-	(202)	-	202	-
Issue of convertible loan notes	-	-	-	-	180	-	180
Balance at 31 December 2025	62	5,264	227	60	180	(4,048)	1,745

The notes to these financial statements on pages 103 to 108 form an integral part of these financial statements. Refer to note 10 for a description of reserves. * For details of restatement please refer to note 29 to the consolidated financial statements.

Company Statement of Cash Flows

	Note	31 Dec 2025 £'000s	31 Dec 2024 £'000s <i>*Restated</i>
Cash flows from operating activities			
Loss for the period before taxation		(683)	(1,374)
Adjustments for:			
Finance costs		32	-
Change in fair value of derivative asset		18	(18)
Change in fair value of contingent consideration		(74)	(32)
Amortisation/depreciation and impairment		-	752
Intercompany loan provision		153	-
Share based payment		-	85
Foreign exchange		(5)	-
Decrease in receivables	4	43	60
Increase in payables	7	70	211
Net cash used in operating activities		(446)	(316)
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	3	(1)	(232)
Interest received		1	-
Loans provided to subsidiaries	4	(1,748)	(563)
Net cash used in investing activities		(1,748)	(795)
Cash flows from financing activities			
Issue of shares for cash, net of costs	9	567	727
Proceeds from issue of convertible loan notes	11	1,500	-
Finance costs		(25)	-
Net cash from financing activities		2,042	727
Decrease in cash and cash equivalents			
Foreign exchange translation differences		(2)	-
Cash and cash equivalents at beginning of the year		283	667
Cash and cash equivalents at the end of the year		129	283

The notes to these financial statements on pages 103 to 108 form an integral part of these financial statements. * For details of restatement please refer to note 28.

Notes to the Company Financial Statements

1. General information

Gem Resources Plc (“the Company” or “GEMR”) is domiciled in England and Wales having been incorporated on 11 January 2005 under the Companies Act with registered number 05329401 as a public company limited by shares. The Company’s shares were delisted from trading on the AIM Market (“AIM”) of the London Stock Exchange plc on 20 December 2018. On 2 March 2022, the Company’s shares were admitted to what is now the Equity Shares (Transition) category and to trading on the Main Market of the London Stock Exchange. The Company changed its name from URA Holdings Plc to Gem Resources Plc on 30 September 2024.

The Company financial statements are required by Companies House and do not include any intercompany eliminations. The Company financial statements and note disclosures should be read in conjunction with the Group financial statements above.

2. Staff Costs (including Directors)

Key management of the Company are considered to be the Directors of the Company and their accrued remuneration was as follows:

	2025 £'000s	2024 £'000s
Peter Redmond	40	35
John Treacy	24	24
Edward Nealon	40	43
Bernard Olivier	70	63
Sam Mulligan ¹	(24)	40
Louis Ching	32	-
Hans Wong	8	-
Other staff	40	40
Closing balance	230	260

¹ Sam Mulligan resigned on 18 June 2025 and previous accrued fees reversed.

The average monthly number of employees, including the Directors, during the year was as follows:

	2025	2024
Staff/consultants	1	2
Directors	7	5
Total	8	7

Included within staff costs is an amount of £40,000 paid to Jeremy Sturgess-Smith who is a Key Management Personnel. An amount of £nil (2024: £34,161) has been charged in respect of unapproved option plan for Jeremy Sturgess-Smith.

Share based payments

The amount recognised in respect of share-based payments was £nil (2024: £85,403).

The Group has established share option programmes that entitle certain employees to purchase shares in the Group.

There are no performance conditions attaching to these options. No options were exercised in 2025 (2024: Nil).

No new options were issued during 2025 and the total options on issue as at 31 December 2025 amount to 20,000,000 (2024: 20,000,000).

The share options have been valued using the Black Scholes model.

3. Investments in subsidiaries

Cost and net book value	2025	2024
	£'000s	£'000s
		Restated
At beginning of period	754	1,274
Investment in subsidiaries	1	232
Impairment	-	(752)
Closing balance	755	754

In the prior year, the Company was informed that the renewal of one of its licences held by Malaika Developments Limited was rejected. Following this, an appeal was lodged directly with the Minister of Mines and are awaiting a response. Given the uncertainty around the renewal, the Directors concluded that an impairment charge in respect of the investment in the Zambia exploration project was necessary. The estimate was based on the proportionate size of the licence area not renewed.

The Company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiary companies

Name	Address of the registered office	Nature of business	2025	2024
			Proportion of ordinary shares held by parent (%)	Proportion of ordinary shares held by parent (%)
Malaika Exploration (Ireland) Limited	FDW House, Blackthorn Business Park, Coes Road, Dundalk, Co. Louth, Ireland	Exploration	100	100
Malaika Developments Limited**	Zambia	Exploration	100	100
Gem - Venus Holdings (Pty) Ltd	South Africa	Investment	100	100
Adit Mining Consultants and Trading (Pty) Ltd**	South Africa	Mining	74	74
Venus Emeralds (Pty) Ltd**	South Africa	Exploration	74	74

Prasinus Exploration Pty Ltd	Australia	Mining	65	65
GemR Corporation Limited	Hong Kong	Investment	100	-

*** Subsidiaries held indirectly through Gem - Venus Holdings Proprietary Limited and Malaika Exploration (Ireland) Limited.*

The Company owns 100% of Malaika Exploration (Ireland) Limited, which owns 100% of Malaika Developments Limited.

On 18 July 2024, the Company acquired 65% of the shares in Prasinus Exploration Pty Ltd. Refer to note 22 to the consolidated financial statements for further detail of the acquisition.

4. Other Receivables

	2025 £'000s	2024 £'000s Restated
Prepayments	15	30
Sundry debtors	-	15
Amounts owed by group companies	2,632	1,021
VAT recoverable	6	18
Closing balance	2,653	1,084

	2025 £'000s	2024 £'000s
Current assets	2,437	1,084
Non-current assets	216	-
	2,653	1,084

The Directors consider that the carrying amount of other receivables is approximately equal to their fair value. Included in the 2024 sundry debtors is an amount of £15,000 due by Peter Redmond which was settled in 2025.

Amounts owed by Group companies total £2,632,000 as at 31 December 2025 (2024: £1,021,000) and are classified as financial assets measured at amortised cost under IFRS 9. These balances arise from unsecured intra-group transactions and funding arrangements. A loan was provided to Adit Mining bearing interest at the prime interest rate quoted by Absa Bank Limited compounded monthly and is repayable by 31 December 2030 or such date as may be agreed. Apart from the Adit Mining loan, the loans are interest-free with no fixed repayment terms, making them repayable on demand. The receivables have been assessed as current assets based on management's expectation of repayment timing. Due to slower than planned ramp at Prasinus Exploration Pty Ltd and the licence expiry at Malaika Developments Limited shortly after year end (pending renewal), management has provided for the full amounts outstanding by the Australian and Zambian projects of £153,000 (2024: nil).

5. Derivative asset

Disclosures in relation to the derivative asset are shown in note 12 to the Consolidated Financial Statements.

6. Contingent consideration

Disclosures in relation to the contingent consideration are shown in note 14 to the Consolidated Financial Statements.

7. Trade and other payables

	2025 £'000s	2024 £'000s
Trade payables	36	124
Other payables	-	17
Accruals	352	215
Closing balance	388	356

The Directors consider that the carrying amount of trade payables approximates to their fair value. Accruals predominantly comprise audit fee accrual of £83,000 (2024: £88,000) and accrued and unpaid directors and salaries of approximately £244,000 (2024: £125,000).

8. Convertible loan notes

Disclosures in relation to convertible loan notes are shown in note 18 to the Consolidated Financial Statements.

9. Share capital

Details of the Company's authorised, called-up and fully paid share capital are set out in note 19 to the Consolidated Financial Statements.

The ordinary shares of the Company carry one vote per share and an equal right to any dividends declared.

10. Reserves

The following describes the nature and purpose of each reserve:

Share option reserve

This represents the amounts charged on share options that have been granted to employees and directors less amounts transferred on exercise or lapse.

Share warrant reserve

This represents amounts charged on share warrants granted to service providers less amounts transferred on exercise or lapse.

Equity component of convertible loan notes reserve

The reserve for convertible loan notes comprises the amount allocated to the equity component for the convertible loan notes issued by the Company in September 2025.

11. Equity component of convertible notes

	2025 £'000s	2024 £'000s
Opening balance	-	-
Equity component of convertible notes	180	-
Closing balance	180	-

In September 2025, the Company issued unsecured convertible loan notes in the principal amount of £1.5 million (“Convertible Loan Notes”) to Louis Ching. The Convertible Loan Notes are convertible at £0.003 per share and carry a 5% annual interest, payable semi-annually in arrears on 30 June and 31 December each year and may be converted at any time up until 3 September 2028. Any portion of the loan not converted must be repaid in full at maturity together with accrued interest.

As the conversion feature results in the conversion of a fixed amount of stated principal into a fixed number of shares, it satisfies the ‘fixed for fixed’ criterion and, therefore, it is classified as an compound financial instrument comprising liability and equity components which requires the valuation of the liability component and the equity conversion component. The fair value of the liability component, included in current borrowings, at inception was calculated using a market interest rate for an equivalent instrument without conversion option. The discount rate applied was 10%.

12. Contingent consideration

Financial assets and liabilities by category

	2025 £'000s	2024 £'000s Restated
<i>Carrying amount of financial assets</i>		
Current		
Measured at amortised cost		
- Other receivables	-	15
- Cash and cash equivalents	129	283
Non-current		
Measured at fair value through profit or loss		
- Derivative asset	-	18
	129	316

	2025 £'000s	2024 £'000s Restated
<i>Carrying amount of financial liabilities</i>		
Current		
Measured at amortised cost		
- Trade and other payables	388	356

Non-current		
Measured at amortised cost		
- Convertible debt	1,337	-
Measured at fair value through profit or loss		
- Contingent consideration	67	141
	1,792	497

13. Related party transactions

Director's remuneration is disclosed in note 3 to the Company Financial Statements.

Further disclosures in relation to the related party transactions are shown in note 24 to the Consolidated Financial Statements.

14. Prior period adjustments

Disclosures in relation to prior period adjustments are shown in note 28 to the Consolidated Financial Statements.

15. Events after the period end date

Disclosures in relation to events after 31 December 2025 are shown in note 26 to the Consolidated Financial Statements.