

Company Number: 05329401 (England & Wales)



**GEM RESOURCES PLC**

**Interim Condensed Consolidated Financial Statements**

**For the six months ended 30 June 2026**

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## **Chairman's Statement**

### **Gem Resources Plc – Interim Results for the six months ended 30 June 2026**

Dear Shareholder,

The first half of 2026 and the period since have been important for Gem Resources Plc. We have continued the work begun following my appointment as Executive Chairman to strengthen the Company's financial position, actively manage the portfolio and identify opportunities capable of creating meaningful long-term shareholder value.

During the period, the Group continued to advance its existing natural resource interests while implementing its broader capital allocation strategy.

#### **Strengthening the Balance Sheet**

A significant development after the period end was the conversion of the full £1.5 million convertible loan note held by me, together with the settlement of outstanding Director and management fees through equity.

In aggregate, approximately £1.79 million of liabilities were converted into equity through the issue of approximately 585.6 million new shares, substantially reducing financial liabilities without requiring a corresponding cash outflow.

This was an important step in strengthening GEMR's financial position, preserving cash for the development of the business and providing a firmer platform from which to pursue new strategic opportunities.

As a major shareholder in GEMR, my interests remain closely aligned with those of other shareholders. The Board continues to place strong emphasis on capital discipline, balance-sheet management and the allocation of capital towards opportunities where we believe the potential returns justify the investment.

#### **Digital Asset Treasury**

During the period, GEMR continued to implement its Cryptocurrency and Digital Asset Treasury Policy. In February 2026, the Group acquired 9 Bitcoin for approximately US\$635,000, at an average acquisition price of approximately US\$70,521 per Bitcoin. At the reporting date of 30 June 2026, the Bitcoin price had declined to approximately US\$58,291, resulting in the accounting revaluation recognised in these interim results.

Since period end, Bitcoin has recovered strongly and, at approximately US\$84,000 as at 24 September 2026, is now around 19% above the Group's original average acquisition price. At this price, GEMR's 9 Bitcoin holding has an indicative market value of approximately US\$756,000. Had this price been applied at the reporting date, the £70,000 fair value loss recognised in these interim results would have been fully negated, with the holding valued above its original acquisition cost.

The investment remains part of the Group's broader treasury diversification strategy and does not alter GEMR's core focus as a natural resources company.

#### **A Potential Transformational Opportunity in Colombia**

The most significant potential development since the reporting date is the conditional agreement announced on 8 September 2026 to acquire 100% of CREC Material Co S.A.S., which operates the El Yarumo gold processing business in Cauca, Colombia.

Subject to Completion, I believe this has the potential to represent an important transformation for GEMR.

Our strategy is evolving towards a broader and more diversified natural resources portfolio, with increasing emphasis on operating, revenue-generating and, where possible, profitable assets. El Yarumo represents an important step in that strategy and complements GEMR's existing mineral interests by adding exposure to an operating gold processing business.

The business already has an established processing plant, infrastructure and workforce and is currently processing gold-bearing material. Based on management information supplied to GEMR, it is generating revenue and is profitable at an operational level, although these operational and financial matters remain subject to further verification prior to Completion.

Importantly, this is not a greenfield development project requiring substantial capital before operations can commence. We are proposing to acquire an existing operating platform which we believe has significant potential for optimisation, expansion and improved profitability.

Independent engineering work has estimated sustainable processing capacity of approximately 2.5 tonnes per hour for the currently operating line, potentially increasing to approximately 3.7 tonnes per hour following rehabilitation of the second processing line.

The estimated initial plant modernisation programme of approximately US\$150,000 to US\$250,000 is relatively modest in the context of the opportunity. Beyond this, there is potential to increase sustainable throughput, secure additional gold-bearing feed and evaluate future downstream doré production, subject to the necessary testwork, engineering and permitting.

The acquisition consideration is entirely in GEMR shares, with an agreed value of £750,000, meaning that the Company is not required to use cash to fund the acquisition consideration.

The structure also provides important protections for GEMR shareholders, including the issue of consideration shares only after Completion and effective control of CREC, together with staged release arrangements linked to verified cash profitability and protections against historic liabilities and other claims.

Completion remains subject to a number of conditions precedent, including the satisfactory resolution of outstanding legal and regulatory matters and completion of the required verification work. Nevertheless, I believe the transaction demonstrates clearly the type of opportunity we are increasingly seeking: an existing operating business with identifiable opportunities to improve performance and scale operations through disciplined additional investment.

### **Existing Portfolio and Strategic Development**

Alongside the proposed El Yarumo acquisition, the Board continues to assess GEMR's existing portfolio

In South Africa, Gravelotte has until recently been one of the Group's principal operational mining assets. Operations have now been scaled down and the mine is being maintained so that production can be increased again should market conditions improve.

Continued weakness in the coloured gemstone market, together with tariff-related disruption and uncertainty in international jewellery markets, means that further production is not currently considered an appropriate use of capital.

We nevertheless believe Gravelotte retains underlying value and the Board is currently in advanced discussions regarding a potential sale of the asset. These discussions remain subject to final agreement and execution of the relevant transaction documentation. Shareholders will be updated as appropriate.

Importantly, GEMR continues to retain its interest in the Curlew Emerald Mine in Australia. The Company recently completed a site visit to Curlew and is evaluating costed development options for a

potential phased restart of production. The objective is to assess whether production can recommence initially on a relatively small scale, while retaining the flexibility to increase output progressively if operational performance and market conditions support expansion.

This approach is consistent with the Board's broader strategy of favouring projects where capital can be deployed in a staged and disciplined manner, with a clear pathway towards operating cash flow and the ability to scale production over time.

At the same time, GEMR is broadening its natural resources portfolio beyond its historic concentration on emerald assets. We increasingly see opportunities to complement our existing gemstone interests with operating natural resource businesses that already generate revenue and where additional capital and management expertise can potentially improve profitability and create shareholder value.

This represents an evolution of GEMR's existing natural resources strategy rather than a departure from it. The Group intends to remain focused on mining, mineral processing and related natural resource opportunities, while progressively increasing its exposure to operating and cash-generative assets across a broader range of commodities.

### **Financial Performance**

For the six months ended 30 June 2026, the Group recorded a loss before taxation of £614,000, compared with £304,000 (as restated) for the corresponding period in 2025. The increased loss is primarily due to the £70,000 revaluation loss on the Group's digital asset holding and higher finance costs following the issue of the convertible loan notes in September 2025. Cash and cash equivalents at the reporting date were £669,000 (31 December 2025: £1.613 million).

As an investment and development company, the Board remains focused on controlling corporate expenditure and directing available capital towards opportunities capable of strengthening the Group's operating and financial position.

### **Outlook**

The Company today is in a materially different position from that which I inherited when I became Executive Chairman in September 2025.

We have strengthened the capital structure, eliminated a substantial amount of debt after the period end through the conversion of convertible loan notes and accrued fees into equity, broadened our strategic focus and, most importantly, entered into a conditional agreement for an operating gold processing business which has the potential to provide GEMR with exposure to revenue and operating profitability.

Subject to Completion and verification of the information provided to us, El Yarumo has the potential to become an important platform from which we can build a larger gold processing and production business in Colombia.

At the same time, we will continue to actively manage our existing portfolio, including evaluating a phased and potentially scalable restart at Curlew, while assessing whether individual assets are best advanced internally, partnered, joint ventured or monetised.

We believe this disciplined portfolio approach will allow GEMR to broaden its natural resources exposure while progressively increasing the proportion of the Group represented by operating, revenue-generating and potentially cash-generative assets.

The Board's objective remains straightforward: to build a financially disciplined and diversified natural resources group with increasing exposure to operating assets capable of delivering sustainable value for shareholders.

I would like to thank our shareholders for their continued support, and I look forward to reporting further progress as we seek to complete the El Yarumo acquisition and continue GEMR's next phase of development.

A handwritten signature in black ink, appearing to read 'Louis Ching', with a stylized, cursive script.

**Louis Ching**  
Executive Chairman

25 September 2026

## **Business Review**

The Directors present the interim results of Gem Resources Plc (“GEMR” or the “Company”), together with its subsidiaries (“the Group”), for the six-month period from 1 January 2026 to 30 June 2026.

## **Financial and Operational Review**

The first half of 2026 was a period of consolidation and strategic repositioning for the Group. Following the recapitalisation completed in September 2025, the Board focused on preserving capital, actively reviewing the existing portfolio and broadening GEMR’s opportunity set within the natural resources sector. During the period, the Group also implemented the first allocation under its Cryptocurrency and Digital Asset Treasury Policy.

## **Existing Portfolio and Operations**

The Board continued to review the Group’s existing mineral portfolio against prevailing market conditions and expected risk-adjusted returns.

In South Africa, Gravelotte has until recently been one of the Group’s principal operational mining assets. Operations have now been scaled down and the mine is being maintained so that production could be increased again if market conditions improve. Weakness in the coloured gemstone market, together with tariff-related disruption and uncertainty in international jewellery markets, means that further production is not currently considered an appropriate use of capital.

We nevertheless believe Gravelotte retains underlying value and the Board is currently in advanced discussions regarding a potential sale of the asset. These discussions remain subject to final agreement and execution of the relevant transaction documentation. Shareholders will be updated as appropriate.

## **Curlew Emerald Mine**

The Group continues to retain its interest in the Curlew Emerald Mine in Australia. Post period end, the Company completed a site visit to Curlew and is evaluating costed development options for a potential phased restart of production. The current objective is to assess whether production can recommence initially on a relatively small scale, while retaining the flexibility to increase output progressively if operational performance and market conditions support expansion.

## **Digital Asset Treasury**

On 6 February 2026, the Group’s wholly owned Hong Kong subsidiary acquired 9 Bitcoin for total consideration of approximately US\$634,685 (approximately £465,000), at an all-in average acquisition price of approximately US\$70,521 per Bitcoin. At 30 June 2026, the holding had a fair value of approximately £395,000, resulting in a £70,000 revaluation loss recognised in the period. Since period end, Bitcoin has recovered and, at approximately US\$84,000 as at 24 September 2026, was around 19% above the Group’s average acquisition price. The investment remains a treasury diversification measure and does not alter the Group’s core focus on natural resources.

## **Corporate Developments**

The Company published its Annual Report for the year ended 31 December 2025 during the period and held its Annual General Meeting on 23 June 2026, at which all resolutions were duly passed. The Board continued to focus on governance, cost control and maintaining an appropriate corporate platform for the Group’s enlarged capital base and evolving natural resources strategy.

### **Post Period-End – Balance Sheet Strengthening**

On 29 July 2026, the Company materially strengthened its balance sheet through the conversion of the full £1.5 million principal amount of unsecured convertible loan notes held by Mr Louis Ching and the settlement of £286,084 of accrued and unpaid director and management fees through equity.

In aggregate, liabilities of £1,786,084 were settled through the issue of 585,648,699 new ordinary shares, increasing the Company's issued share capital to 1,202,964,875 ordinary shares. The transactions substantially reduced financial liabilities without a corresponding cash outflow and preserved available cash for working capital and the advancement of the Group's strategy.

### **Post Period-End – El Yarumo Gold Processing Acquisition**

On 8 September 2026, GEMR announced that its Hong Kong subsidiary had entered into a conditional agreement to acquire 100% of CREC Material Co S.A.S., the Colombian company through which the El Yarumo gold processing operation in Cauca is conducted, for an all-share consideration of £750,000. The acquisition remains subject to satisfaction or waiver of certain conditions precedent and has not yet completed. Based on management information provided to GEMR, El Yarumo is currently operating, generating revenue and profitable at an operational level, although these matters remain subject to further verification prior to Completion.

### **Financial Performance**

For the six months ended 30 June 2026, GEMR reported:

- Other operating income: £nil (H1 2025: £45,000)
- Operating expenses: £507,000 (H1 2025: £410,000)
- Loss after tax: £614,000 (H1 2025: £299,000 as restated – note 11)
- Net assets: £36,000 at 30 June 2026 (31 December 2025: £634,000)
- Cash and cash equivalents: £669,000 at 30 June 2026 (31 December 2025: £1.613 million)

The post-period conversion of debt and outstanding fees materially strengthened the balance sheet after the reporting date. The Group remains focused on careful cash management and disciplined capital allocation.

### **Outlook**

GEMR's strategy is increasingly focused on building a broader natural resources portfolio with greater exposure to operating, revenue-generating and potentially cash-generative assets, while continuing to manage the existing portfolio on an asset-by-asset basis.

Subject to Completion and verification of the information provided to the Company, the proposed El Yarumo acquisition represents an important opportunity to add an existing operating gold processing platform with identifiable optimisation and expansion potential. At Curlew, the Group is assessing a phased and scalable route towards restarting production. Across the remainder of the portfolio, the Board will continue to consider development, partnership, joint venture or monetisation where this is judged to provide the best risk-adjusted outcome for shareholders.

The Group remains a natural resources company focused on mining, mineral processing and related opportunities. The Board believes that the strengthened capital structure and disciplined portfolio approach provide a more robust platform from which to pursue sustainable shareholder value.



**Bernard Olivier**  
Chief Executive Officer

25 September 2026

## **Directors' Report**

The directors present their interim condensed consolidated financial statements of the Company for the six-month period from 1 January 2026 to 30 June 2026.

### **DIRECTORS OF THE COMPANY**

The directors who have served during the period and up to the date of approval were as follows:

|                      |                         |
|----------------------|-------------------------|
| Louis Ching          | Executive Chairman      |
| Hin Shek "Hans" Wong | Non-Executive Director  |
| Edward Nealon        | Non-Executive Director  |
| Bernard Olivier      | Chief Executive Officer |
| Peter Redmond        | Non-Executive Director  |
| John Treacy          | Non-Executive Director  |

### **GOING CONCERN**

The Company raises money for exploration and capital projects as and when required. There can be no assurance that the Group's projects will be fully developed in accordance with current plans or completed on time or to budget. Future work on the development of these projects, the levels of production and financial returns arising therefrom, may be adversely affected by factors outside the control of the Group and Company.

The Group's consolidated 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.

In making this assessment, the Directors have taken into account the post-period conversion, on 29 July 2026, of approximately £1.79 million of liabilities into equity. Whilst this materially strengthened the Group's net asset position and reduced its financial liabilities, it did not generate cash. The Group therefore remains dependent on securing further cash funding, whether through the issue of new equity or debt instruments, to meet its ongoing working capital and development requirements.

The ability of the Group to meet its projected expenditure is dependent on further equity injections and/or the raising of cash through debt instruments. These conditions necessarily indicate that a material uncertainty exists that may cast significant doubt over the Group's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. Whilst acknowledging this material uncertainty, the Directors remain confident of securing the necessary finance and therefore, the Directors consider it appropriate to prepare these interim condensed consolidated financial statements on a going concern basis. These interim condensed consolidated financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

### **RESULTS AND DIVIDENDS**

The interim condensed consolidated statement of comprehensive income is set out on page 11 and shows the loss for six-month period to 30 June 2026. The directors consider the loss for the period to be in line with expectations. The directors do not recommend a payment of a dividend.

We confirm to the best of our knowledge:

- a) the condensed set of financial statements has been prepared in accordance with IAS 34 “Interim Financial Reporting”; and
- b) the interim management report includes a fair review of the information required by Disclosure and Transparency Rules 4.2.7R and 4.2.8R of the United Kingdom Financial Conduct Authority.

Signed on behalf of the Board who approved the half yearly financial report on 25 September 2026.



**Louis Ching**  
Executive Chairman

25 September 2026

## Interim Condensed Consolidated Statement of Comprehensive Income

|                                                          |      | 6 months to<br>30 June 2026 | 6 months to<br>30 June 2025<br>(restated) |
|----------------------------------------------------------|------|-----------------------------|-------------------------------------------|
|                                                          |      | Unaudited<br>£'000s         | Unaudited<br>£'000s                       |
|                                                          | Note |                             |                                           |
| Other operating income                                   |      | -                           | 45                                        |
| Operating expenses                                       |      | (507)                       | (410)                                     |
| Change in fair value of derivative asset                 |      | -                           | (9)                                       |
| Change in fair value of contingent consideration         |      | 21                          | 72                                        |
| Change in fair value of digital assets                   |      | (70)                        | -                                         |
| <b>Operating loss</b>                                    |      | <b>(556)</b>                | <b>(302)</b>                              |
| Interest expense                                         |      | (67)                        | (5)                                       |
| Interest income                                          |      | 9                           | 3                                         |
| <b>Loss before taxation</b>                              |      | <b>(614)</b>                | <b>(304)</b>                              |
| Taxation                                                 |      | -                           | 5                                         |
| <b>Loss for the period</b>                               |      | <b>(614)</b>                | <b>(299)</b>                              |
| <b>Attributable to:</b>                                  |      |                             |                                           |
| Owners of the parent                                     |      | (574)                       | (244)                                     |
| Non-controlling interest                                 |      | (40)                        | (55)                                      |
| <b>Other comprehensive income</b>                        |      |                             |                                           |
| <i>Items that may be reclassified to profit or loss:</i> |      |                             |                                           |
| Exchange difference on currency translations             |      | 16                          | (16)                                      |
| <b>Total comprehensive loss for the period</b>           |      | <b>(598)</b>                | <b>(315)</b>                              |
| <b>Attributable to:</b>                                  |      |                             |                                           |
| Owners of the parent                                     |      | (546)                       | (334)                                     |
| Non-controlling interest                                 |      | (52)                        | 19                                        |
| Basic and diluted earnings per share (pence)             | 10   | (0.09)                      | (0.08)                                    |

The accompanying notes form part of these interim condensed consolidated financial statements.

## Interim Condensed Consolidated Statement of Financial Position

Company number: 05329401

|                                      | Note | 30 June<br>2026<br>Unaudited<br>£'000s | 31 December<br>2025<br>Audited<br>£'000s |
|--------------------------------------|------|----------------------------------------|------------------------------------------|
| <b>ASSETS</b>                        |      |                                        |                                          |
| <b>Non-current assets</b>            |      |                                        |                                          |
| Exploration and evaluation asset     |      | 480                                    | 470                                      |
| Property, plant and equipment        |      | 369                                    | 370                                      |
| Right of use asset                   |      | 13                                     | 19                                       |
| Digital assets                       | 6    | 395                                    | -                                        |
| <b>Total non-current Assets</b>      |      | <b>1,257</b>                           | <b>859</b>                               |
| <b>Current assets</b>                |      |                                        |                                          |
| Inventories                          |      | 39                                     | 38                                       |
| Other receivables                    |      | 31                                     | 30                                       |
| Restricted cash                      |      | 13                                     | 13                                       |
| Cash and cash equivalents            |      | 669                                    | 1,613                                    |
| <b>Total current assets</b>          |      | <b>752</b>                             | <b>1,694</b>                             |
| <b>Total assets</b>                  |      | <b>2,009</b>                           | <b>2,553</b>                             |
| <b>LIABILITIES</b>                   |      |                                        |                                          |
| <b>Non-current liabilities</b>       |      |                                        |                                          |
| Lease liabilities                    |      | (1)                                    | (7)                                      |
| Contingent consideration             |      | (46)                                   | (67)                                     |
| Provisions                           |      | (41)                                   | (40)                                     |
| Convertible debt                     | 7    | (1,365)                                | (1,337)                                  |
| <b>Total non-current liabilities</b> |      | <b>(1,453)</b>                         | <b>(1,451)</b>                           |
| <b>Current liabilities</b>           |      |                                        |                                          |
| Trade and other payables             | 8    | (507)                                  | (456)                                    |
| Lease liabilities                    |      | (13)                                   | (12)                                     |
| <b>Total current liabilities</b>     |      | <b>(520)</b>                           | <b>(468)</b>                             |
| <b>Total liabilities</b>             |      | <b>(1,973)</b>                         | <b>(1,919)</b>                           |
| <b>Net assets</b>                    |      | <b>36</b>                              | <b>634</b>                               |

**Interim Condensed Consolidated Statement of Financial Position (continued)**

|                                                                 | Note | 30 June<br>2026<br>Unaudited<br>£'000s | 31 December<br>2025<br>Audited<br>£'000s |
|-----------------------------------------------------------------|------|----------------------------------------|------------------------------------------|
| <b>EQUITY</b>                                                   |      |                                        |                                          |
| Share capital                                                   |      | 62                                     | 62                                       |
| Share premium                                                   |      | 5,264                                  | 5,264                                    |
| Other reserves                                                  |      | 391                                    | 363                                      |
| Accumulated loss                                                |      | (5,326)                                | (4,752)                                  |
| <b>Total equity attributable to equity owners of the parent</b> |      | <b>391</b>                             | <b>937</b>                               |
| Non-controlling interest                                        |      | (355)                                  | (303)                                    |
| <b>Total equity</b>                                             |      | <b>36</b>                              | <b>634</b>                               |

The accompanying notes form part of these interim condensed consolidated financial statements.

These interim condensed consolidated financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



**Louis Ching**  
Executive Chairman

25 September 2026

## Interim Condensed Consolidated Statement of Changes in Equity

|                               | Share<br>capital<br>£'000s | Share<br>premium<br>£'000s | Other<br>reserves<br>£'000s | Accumu-<br>lated loss<br>£'000s | Non-<br>Controlling<br>interest<br>£'000s | Total<br>equity<br>£'000s |
|-------------------------------|----------------------------|----------------------------|-----------------------------|---------------------------------|-------------------------------------------|---------------------------|
| <b>As at 1 January 2026</b>   | <b>62</b>                  | <b>5,264</b>               | <b>363</b>                  | <b>(4,752)</b>                  | <b>(303)</b>                              | <b>634</b>                |
| Loss for the period           | -                          | -                          | -                           | (574)                           | (40)                                      | (614)                     |
| Other comprehensive<br>income | -                          | -                          | 28                          | -                               | (12)                                      | 16                        |
| Total comprehensive<br>income | -                          | -                          | 28                          | (574)                           | (52)                                      | (598)                     |
| <b>As at 30 June 2026</b>     | <b>62</b>                  | <b>5,264</b>               | <b>391</b>                  | <b>(5,326)</b>                  | <b>(355)</b>                              | <b>36</b>                 |

|                                                       | Share<br>capital<br>£'000s | Share<br>premium<br>£'000s | Other<br>reserves<br>£'000s | Accumu-<br>lated loss<br>£'000s | Non-<br>Controlling<br>interest<br>£'000s | Total<br>equity<br>£'000s |
|-------------------------------------------------------|----------------------------|----------------------------|-----------------------------|---------------------------------|-------------------------------------------|---------------------------|
| <b>As at 1 January 2025</b><br>(restated – Note 11)   | <b>30</b>                  | <b>4,690</b>               | <b>344</b>                  | <b>(4,090)</b>                  | <b>(205)</b>                              | <b>769</b>                |
| Loss for the period<br>(restated – Note 11)           | -                          | -                          | -                           | (244)                           | (55)                                      | (299)                     |
| Other comprehensive<br>income (restated –<br>Note 11) | -                          | -                          | (90)                        | -                               | 74                                        | (16)                      |
| Total comprehensive<br>income (restated –<br>Note 11) | -                          | -                          | (90)                        | (244)                           | 19                                        | (315)                     |
| Equity issued                                         | 1                          | 38                         | -                           | -                               | -                                         | 39                        |
| Warrants lapsed                                       | -                          | -                          | (202)                       | 202                             | -                                         | -                         |
| <b>As at 30 June 2025</b><br>(restated – Note 11)     | <b>31</b>                  | <b>4,728</b>               | <b>52</b>                   | <b>(4,132)</b>                  | <b>(186)</b>                              | <b>493</b>                |

The accompanying notes form part of these interim condensed consolidated financial statements.

## Interim Condensed Consolidated Statement of Cash Flows

|                                                               |      | <b>6 months to<br/>30 June 2026</b> | <b>6 months to<br/>30 June 2025<br/>(restated)</b> |
|---------------------------------------------------------------|------|-------------------------------------|----------------------------------------------------|
|                                                               |      | <b>Unaudited<br/>£'000s</b>         | <b>Unaudited<br/>£'000s</b>                        |
|                                                               | Note |                                     |                                                    |
| <b>Cash flows from operating activities</b>                   |      |                                     |                                                    |
| Loss for the period before tax                                |      | (614)                               | (304)                                              |
| Depreciation, amortisation and impairment                     |      | 24                                  | 28                                                 |
| Net finance cost                                              |      | 59                                  | 2                                                  |
| Foreign currency loss                                         |      | 10                                  | 1                                                  |
| Change in fair value of derivative asset                      |      | -                                   | 9                                                  |
| Change in fair value of contingent consideration              |      | (21)                                | (72)                                               |
| Change in fair value of digital assets                        |      | 70                                  | -                                                  |
| Increase in inventories                                       |      | (1)                                 | (12)                                               |
| (Increase)/decrease in receivables                            |      | (1)                                 | 83                                                 |
| Increase/(decrease) in payables                               |      | 52                                  | (60)                                               |
| <b>Net cash used in operating activities</b>                  |      | <b>(422)</b>                        | <b>(325)</b>                                       |
| <b>Cash flows from investing activities</b>                   |      |                                     |                                                    |
| Interest received                                             |      | 9                                   | 3                                                  |
| Purchase of property, plant and equipment                     |      | (5)                                 | -                                                  |
| Purchase of intangible assets                                 | 6    | (465)                               | -                                                  |
| <b>Net cash (used in)/generated from investing activities</b> |      | <b>(461)</b>                        | <b>3</b>                                           |
| <b>Cash flows from financing activities</b>                   |      |                                     |                                                    |
| Finance cost                                                  |      | (40)                                | (5)                                                |
| Repayment of lease liability                                  |      | (6)                                 | (5)                                                |
| <b>Net cash used in financing activities</b>                  |      | <b>(46)</b>                         | <b>(10)</b>                                        |
| <b>Net decrease in cash and cash equivalents</b>              |      | <b>(929)</b>                        | <b>(332)</b>                                       |
| Foreign exchange translation differences                      |      | (15)                                | (8)                                                |
| Cash and cash equivalents at the beginning of the period      |      | 1,613                               | 414                                                |
| <b>Cash and cash equivalents at the end of the period</b>     |      | <b>669</b>                          | <b>74</b>                                          |

The accompanying notes form part of these interim condensed consolidated financial statements.

## Notes to the Interim Condensed Consolidated Financial Statements

### 1. General information

Gem Resources Plc's ("GEMR" or the "Company", together with its subsidiaries "the Group") interim condensed consolidated financial statements are presented in British Pound Sterling (GBP) which is the presentation currency of the Group and have been rounded to the nearest £'000.

Gem Resources Plc is the Group's ultimate parent company. It is a public limited company incorporated in England and Wales. The address of its registered office is at 9th Floor, 107 Cheapside, London, United Kingdom, EC2V 6DN and its shares are listed on the Equity Shares (Transition) segment of the Market of the London Stock Exchange.

### 2. Nature of operations

GEMR is a natural resources company focused on identifying, acquiring and advancing value-accretive mining, mineral processing and resource opportunities. During the reporting period, the Group's principal operating and exploration interests remained focused on its emerald and mineral exploration portfolio, alongside the implementation of its digital asset treasury strategy.

The Group's operations relate to the exploration of the gem asset in South Africa, the Malaika licence areas in Zambia and the Curlew Emerald Mine in Australia as well as the maintenance of the appropriate licenses over these areas.

### 3. Basis of preparation

These interim condensed consolidated financial statements are for the six-month period ended 30 June 2026. They have been prepared in accordance with IAS34 'Interim Financial Reporting'. The interim condensed consolidated financial statements do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the Annual Report and Consolidated Financial Statements for the year ended 31 December 2025.

The financial information set out in these interim condensed consolidated financial statements does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Company's statutory financial statements for the year ended 31 December 2025 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified but included a material uncertainty related to going concern.

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

#### Critical accounting judgements and key sources of estimation uncertainty

During the period the Group acquired digital assets (Bitcoin) for the first time, which has given rise to new critical accounting judgements and key sources of estimation uncertainty that were not present in the 31 December 2025 financial statements. These include:

- the assessment, under IAS 38, that an active market exists for Bitcoin so as to permit use of the revaluation model;
- the identification, under IFRS 13, of the principal market and the appropriate quoted price used to measure fair value;
- the source of the valuation; and
- the determination that the Group controls the digital assets, including through the custody arrangements at the regulated exchange.

Other than in respect of the Group's digital assets, there have been no changes to the critical accounting judgements made nor the key sources of estimation to those disclosed in the 31 December 2025 financial statements.

### **Going concern**

The Group raises money for exploration and capital projects as and when required. There can be no assurance that the Group's projects will be fully developed in accordance with current plans or completed on time or to budget. Future work on the development of these projects, the levels of production and financial returns arising therefrom, may be adversely affected by factors outside the control of the Group and Company.

The Group's consolidated 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.

In making this assessment, the Directors have taken into account the post-period conversion, on 29 July 2026, of approximately £1.79 million of liabilities into equity. Whilst this materially strengthened the Group's net asset position and reduced its financial liabilities, it did not generate cash. The Group therefore remains dependent on securing further cash funding, whether through the issue of new equity or debt instruments, to meet its ongoing working capital and development requirements.

The ability of the Group to meet its projected expenditure is dependent on further equity injections and/or the raising of cash through debt instruments. These conditions necessarily indicate that a material uncertainty exists that may cast significant doubt over the Group's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. Whilst acknowledging this material uncertainty, the Directors remain confident of securing the necessary finance and therefore, the Directors consider it appropriate to prepare these interim condensed consolidated financial statements on a going concern basis. These interim condensed consolidated financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

## **4. Significant accounting policies**

The Group has applied the same accounting policies, presentation, methods of computation, significant judgements and the key sources of estimation of uncertainties in its interim condensed consolidated financial statements as in its audited financial statements for the year ended 31 December 2025 which were published on 29 April 2026, except for the following policy which applies for the first time in the six-month period to 30 June 2026.

### **Digital assets**

Digital assets comprise cryptocurrencies held by the Group as part of its treasury management strategy. Digital assets do not meet the definition of cash or cash equivalents, financial assets or inventory and are accordingly accounted for as intangible assets in accordance with IAS 38 "Intangible Assets".

Digital assets are initially recognised at cost, being the fair value of the consideration given together with any directly attributable transaction costs. They have an indefinite useful life and are not amortised. Following initial recognition, the Group has elected to apply the revaluation model under IAS 38, under which digital assets are carried at a revalued amount, being their fair value at the reporting date. Fair value is determined by reference to the quoted price of the digital asset in its principal active market at the reporting date, and revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from fair value. The Directors have assessed that an active market exists for Bitcoin, as required by IAS 38 for use of the revaluation model. Fair value is determined using quoted

market prices from HashKey Exchange at the reporting date and is classified as a Level 1 fair value measurement under IFRS 13.

An increase in the carrying amount arising on a revaluation is recognised in other comprehensive income and accumulated in a revaluation reserve within equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss to that extent. A revaluation decrease is recognised in profit or loss, except to the extent of any credit balance in the revaluation reserve in respect of that asset, in which case the decrease is recognised in other comprehensive income.

Digital assets are non-monetary items. Where held by a subsidiary whose functional currency is not sterling, cost is translated into the Group's presentation currency at the exchange rate prevailing on the date of the transaction and fair value is translated at the exchange rate prevailing at the reporting date. On disposal of a digital asset, any revaluation surplus remaining in the revaluation reserve in respect of that asset is transferred directly to retained earnings, and the gain or loss on disposal is recognised in profit or loss.

New amendments to IFRS Accounting Standards also apply for the first time in 2026. However, these amendments had no material effect on the Group as they are either not relevant to the Group's activities or require accounting which is already consistent with the Group's current accounting policies.

#### 4.1 New amendments effective

The following new amendments are effective for annual reporting periods beginning on or after 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures)
- Annual Improvements to IFRS Accounting Standards – Volume 11

### 5. Segment information

#### Operating segments

The Board of Directors consider 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. The Group's digital asset treasury activities are managed centrally as part of the Group's treasury function and are not considered to constitute a separate operating segment. The digital assets are held within the Group's Hong Kong operations and are included within Hong Kong total assets in the geographical analysis below. This treatment is consistent with the Group's natural resources strategy described in the Chairman's Statement and Business Review, the digital asset holding representing a treasury diversification measure rather than a separate line of business.

#### Geographical segments

The Group operates in five principal geographical areas – the UK, South Africa, Zambia, Australia and Hong Kong.

The Group's total assets by location of assets are detailed below.

|                     | UK<br>£'000s | South<br>Africa<br>£'000s | Zambia<br>£'000s | Australia<br>£'000s | Hong<br>Kong<br>£'000s | Group<br>£'000s |
|---------------------|--------------|---------------------------|------------------|---------------------|------------------------|-----------------|
| <b>30 June 2026</b> |              |                           |                  |                     |                        |                 |
| Total assets        | 41           | 430                       | 287              | 233                 | 1,018                  | <b>2,009</b>    |

## 31 December 2025

|              |     |     |     |     |       |       |
|--------------|-----|-----|-----|-----|-------|-------|
| Total assets | 150 | 446 | 276 | 216 | 1,465 | 2,553 |
|--------------|-----|-----|-----|-----|-------|-------|

## 6. Digital assets

|                                                  | 30 June<br>2026<br>Unaudited<br>£'000s | 31 December<br>2025<br>Audited<br>£'000s |
|--------------------------------------------------|----------------------------------------|------------------------------------------|
| At the beginning of the period                   | -                                      | -                                        |
| Additions at cost                                | 465                                    | -                                        |
| Revaluation deficit recognised in profit or loss | (70)                                   | -                                        |
| <b>Fair value at the end of the period</b>       | <b>395</b>                             | <b>-</b>                                 |
| Number of Bitcoin held (BTC)                     | 9                                      | -                                        |

During the six months ended 30 June 2026, the Group acquired digital assets comprising Bitcoin as part of the initial implementation of its treasury policy. On 6 February 2026, the Group's wholly owned Hong Kong subsidiary, GemR Corporation Limited, acquired an aggregate of 9 Bitcoin ("BTC") for total consideration of approximately US\$634,685, including directly attributable transaction fees of approximately US\$1,485. This was equivalent to approximately £465,000. The acquisition was funded entirely from existing Group cash resources and was executed through HashKey Exchange, a regulated digital asset trading platform in Hong Kong, at an all-in average acquisition price of approximately US\$70,521 per BTC.

The Group's digital assets are held as a long-term treasury reserve asset and are accounted for as intangible assets under IAS 38 using the revaluation model, being measured at fair value at the reporting date by reference to the quoted market price of Bitcoin in its principal active market. At 30 June 2026 the fair value of the holding was approximately £395,000 (9 BTC at a quoted price of approximately US\$58,291 per BTC; GBP/USD 1.32735), compared with cost of approximately £465,000. As the resulting revaluation decrease of approximately £70,000 exceeded the nil balance held in the revaluation reserve in respect of these assets, the full decrease has been recognised in profit or loss for the period.

## 7. Convertible debt

|                                               | 30 June<br>2026<br>Unaudited<br>£'000s | 31 December<br>2025<br>Audited<br>£'000s |
|-----------------------------------------------|----------------------------------------|------------------------------------------|
| At the beginning of the period                | 1,337                                  | -                                        |
| Proceeds from issue of convertible loan notes | -                                      | 1,500                                    |
| Amount classified as equity                   | -                                      | (180)                                    |
| Interest                                      | 65                                     | 42                                       |
| Payments                                      | (37)                                   | (25)                                     |
| <b>Closing balance</b>                        | <b>1,365</b>                           | <b>1,337</b>                             |

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 non-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%.

Post period end, on 29 July 2026 the full £1.5 million principal amount of the Convertible Loan Notes was converted into 500,000,000 new ordinary shares at a conversion price of 0.30 pence per share, being a 50% premium to the prevailing market price at the time the conversion terms were agreed. Following conversion, none of the Convertible Loan Notes remains outstanding. Further details are set out in note 12.

## 8. Trade and other payables

|                        | <b>30 June<br/>2026<br/>Unaudited<br/>£'000s</b> | <b>31 December<br/>2025<br/>Audited<br/>£'000s</b> |
|------------------------|--------------------------------------------------|----------------------------------------------------|
| Trade payables         | 102                                              | 72                                                 |
| Accruals               | 405                                              | 384                                                |
| <b>Closing balance</b> | <b>507</b>                                       | <b>456</b>                                         |

Accruals predominantly comprise audit fee accrual of £35,000 (31 December 2025: £83,000) and accrued and unpaid Directors and KMP salaries of approximately £366,000 (31 December 2025: £276,000).

Post period end, on 29 July 2026 accrued and unpaid director and management fees of £286,084 were settled through the issue of 85,648,699 new ordinary shares, thereby converting these liabilities into equity. Further details are set out in note 12.

## 9. Related party transactions

### Remuneration of key management personnel

| <b>Six months ended 30 June 2026</b> | <b>Salaries and<br/>fees<br/>£</b> | <b>Loss of<br/>Office<br/>£</b> | <b>Total<br/>£</b> |
|--------------------------------------|------------------------------------|---------------------------------|--------------------|
| <b>Directors</b>                     |                                    |                                 |                    |
| Edward Nealon                        | 12,000                             | -                               | 12,000             |
| Bernard Olivier                      | 35,000                             | -                               | 35,000             |
| Peter Redmond                        | 20,000                             | -                               | 20,000             |
| John Treacy                          | 12,000                             | -                               | 12,000             |
| Louis Ching                          | 50,000                             | -                               | 50,000             |
| Hin Shek "Hans" Wong                 | 12,000                             | -                               | 12,000             |
| <b>Total</b>                         | <b>141,000</b>                     | <b>-</b>                        | <b>141,000</b>     |
| <b>KMP</b>                           |                                    |                                 |                    |
| Jeremy Sturgess-Smith                | 20,000                             | -                               | 20,000             |
| Wessel Marais                        | 32,577                             | -                               | 32,577             |
| Louis Swart                          | 18,000                             | -                               | 18,000             |
| <b>Total</b>                         | <b>70,577</b>                      | <b>-</b>                        | <b>70,577</b>      |
| <b>Six months ended 30 June 2025</b> | <b>Salaries and<br/>fees<br/>£</b> | <b>Loss of<br/>Office<br/>£</b> | <b>Total<br/>£</b> |
| <b>Directors</b>                     |                                    |                                 |                    |
| Edward Nealon                        | 22,500                             | -                               | 22,500             |
| Bernard Olivier                      | 35,000                             | -                               | 35,000             |

|                           |               |              |               |
|---------------------------|---------------|--------------|---------------|
| Peter Redmond             | 20,000        | -            | 20,000        |
| John Treacy               | 12,000        | -            | 12,000        |
| Sam Mulligan <sup>1</sup> | (29,167)      | 5,000        | (24,167)      |
| <b>Total</b>              | <b>60,333</b> | <b>5,000</b> | <b>65,333</b> |

#### KMP

|                       |               |          |               |
|-----------------------|---------------|----------|---------------|
| Jeremy Sturgess-Smith | 20,000        | -        | 20,000        |
| Wessel Marais         | 30,179        | -        | 30,179        |
| Louis Swart           | 18,000        | -        | 18,000        |
| <b>Total</b>          | <b>68,179</b> | <b>-</b> | <b>68,179</b> |

(1) Resigned as director on 19 June 2025. His accrued and unpaid fees have been reversed.

In order to preserve cash, certain directors' and KMP salaries were accrued and unpaid. At 30 June 2026, an amount of £365,784 (31 December 2025: £275,787) is due to directors and KMP and included in trade and other payables.

The conversion, after the reporting date, of the £1.5 million convertible loan notes held by Mr Louis Ching and the settlement of accrued director and management fees through the issue of new ordinary shares constitute material related party transactions. Further details are set out in note 12.

## 10. 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 weighted number of ordinary shares outstanding during the period.

During the period the calculation was based on the loss for the six-month period of £574,000 (H1 2025: £244,000 as restated – note 11) divided by the weighted number of ordinary shares 617,316,176 (H1 2025: 307,606,034).

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

## 11. Prior period adjustments

As disclosed in the Annual Report and Consolidated Financial Statements for the year ended 31 December 2025, the Group restated its comparative financial information in accordance with IAS 8 to correct prior period errors in the accounting for certain historic business combinations, contingent consideration and a derivative asset. Refer to the restatement in the 2025 Annual Report and Consolidated Financial Statements for full details.

These prior period adjustments affect the comparative information for the six months ended 30 June 2025 presented in these interim financial statements in particular the opening accumulated deficit at 1 January 2025.

### Impact on adjustment on the consolidated statement of financial position

|                               | 31 Dec 2024<br>(as previously<br>stated<br>£'000 | Prior year<br>adjustment<br>£'000 | 31 Dec 2024<br>(as re-stated)<br>£'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    |         |

The statement of comprehensive income for the six months ended 30 June 2025 has also been reviewed for the effect of the revised treatment of contingent consideration and the derivative asset:

#### Impact on adjustment on the consolidated statement of comprehensive income

|                                                  | 30 Jun 2025            |                         | 30 Jun 2025    |
|--------------------------------------------------|------------------------|-------------------------|----------------|
|                                                  | (as previously stated) | Prior period adjustment | (as re-stated) |
|                                                  | £'000                  | £'000                   | £'000          |
| Change in fair value of derivative asset         | -                      | (9)                     | (9)            |
| Change in fair value of contingent consideration | -                      | 72                      | 72             |
| Finance cost                                     | (29)                   | 24                      | (5)            |

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.

|                                              | 30 Jun 2025            |                         | 30 Jun 2025    |
|----------------------------------------------|------------------------|-------------------------|----------------|
|                                              | (as previously stated) | Prior period adjustment | (as re-stated) |
|                                              | £'000                  | £'000                   | £'000          |
| Loss attributable to owners of the parent    | (331)                  | 87                      | (244)          |
| <b>Earnings per share</b>                    |                        |                         |                |
| Basic and diluted earnings per share (pence) | (0.11)                 | (0.03)                  | (0.08)         |

#### Impact on adjustment on the consolidated statement of cash flows

|                                                   | 30 Jun 2025            |                         | 30 Jun 2025    |
|---------------------------------------------------|------------------------|-------------------------|----------------|
|                                                   | (as previously stated) | Prior period adjustment | (as re-stated) |
|                                                   | £'000                  | £'000                   | £'000          |
| <b>Cash flows from operating activities</b>       |                        |                         |                |
| Loss for the period                               | (391)                  | 87                      | (304)          |
| <b>Adjustments for:</b>                           |                        |                         |                |
| Changes in fair value of derivative asset         | -                      | 9                       | 9              |
| Changes in fair value of contingent consideration | -                      | (72)                    | (72)           |
| Net finance cost                                  | 26                     | (24)                    | 2              |

## 12. Events after the reporting date

On 29 July 2026, the Company announced the conversion of convertible loan notes and the settlement of certain outstanding liabilities through the issue of new ordinary shares, as set out below:

- £1,500,000 of unsecured convertible loan notes held by Mr Louis Ching, Executive Chairman (through North Galaxy Development Company Limited), were converted into 500,000,000 new ordinary shares at a conversion price of 0.30 pence per share, representing a 50 per cent. premium to the prevailing market price at the time the conversion terms were agreed;
- £194,508 of historic director and management fees were settled through the issue of 64,836,034 new ordinary shares at 0.30 pence per share; and
- £91,576 of additional director fees were settled through the issue of 20,812,665 new ordinary shares at 0.44 pence per share.

In aggregate, liabilities of £1,786,084 were settled through the issue of 585,648,699 new ordinary shares. The new ordinary shares were admitted to trading on the Main Market of the London Stock Exchange following which the Company's total issued ordinary share capital and total voting rights increased to 1,202,964,875 ordinary shares. Immediately following admission, North Galaxy Development Company Limited, a company controlled by Mr Louis Ching, was interested in 827,425,299 ordinary shares, representing approximately 68.78 per cent. of the enlarged issued share capital.

The £1,500,000 convertible loan notes referred to above were in issue and were recognised within the Company's liabilities at 30 June 2026. As the conversion of the loan notes, the settlement of the outstanding fees and the related issue of new ordinary shares all occurred after 30 June 2026, these transactions constitute non-adjusting events after the reporting period. Accordingly, no adjustment has been made to the condensed financial statements for the six months ended 30 June 2026, and the transactions will be reflected in the financial statements for the period in which they occurred. Had the share issue and related settlements taken place at the reporting date, they would have reduced the Company's liabilities by £1,786,084, with a corresponding increase in equity.

On 8 September 2026, the Company announced that its wholly owned Hong Kong subsidiary, GemR Corporation Limited, had entered into a conditional share purchase agreement to acquire 100% of the issued share capital of CREC Material Co S.A.S., the Colombian company through which the El Yarumo gold processing operation in Buenos Aires, Cauca is conducted. The agreed consideration is £750,000, to be satisfied through the issue of 150,000,000 new ordinary shares in GEMR at an agreed reference price of 0.5 pence per share. No cash acquisition consideration is payable. The acquisition remains subject to satisfaction or waiver of certain conditions precedent and had not completed at the date of approval of these interim financial statements. Accordingly, the acquisition is a non-adjusting event after the reporting period. There can be no assurance that the acquisition will complete or that future operating performance will be consistent with management information received to date.

Other than the matters described above, there have been no other significant events between the end of the Period and the date of approval of these interim financial statements.