

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



Gem Resources Plc

(the "**Company**" and together with its subsidiaries from time to time, the "**Group**" or "**GEMR**")

28 October 2026

GEMR signs Conditional Agreement for Disposal of Gravelotte Emerald Mine

Potential aggregate consideration of up to US\$2.4 million while retaining royalty exposure and advancing strategic shift towards gold processing operations

Gem Resources Plc (LSE: GEMR), the natural resources company focused on identifying, acquiring and advancing value-accretive mining and resource opportunities, is pleased to announce that it has entered into a conditional sale of shares agreement dated 27th October 2026 (the "**SPA**") and related agreements for the disposal of its entire interest in Gem Venus Holdings Proprietary Limited ("**Gem Venus**"), which holds the Group's interest in the Gravelotte Emerald Mine in Limpopo Province, South Africa ("**Gravelotte**"), to Global Gem Mines Limited ("**GGM**" or the "**Purchaser**"; the "**Disposal**").

The Disposal forms part of the Company's strategic repositioning towards operating, revenue-generating natural resources businesses, with an increasing focus on gold processing, including through its conditional acquisition of the El Yarumo gold processing operation in Cauca, Colombia, announced on 8 September 2026 (the "**El Yarumo Acquisition**").

Highlights

- **US\$1.7 million fixed purchase price for GEMR's interest in Gravelotte, comprising:**
 - **US\$400,000 paid by the Purchaser into escrow on signing of the SPA and held by an escrow agent pending completion of the Disposal ("Completion") (not received by GEMR at signing);**
 - **US\$250,000 paid directly to GEMR within two business days of the date falling 180 days after signing of the SPA (refundable if the SPA lapses or is terminated, or if the consent required under section 11 of the MPRDA ("Section 11 Consent") is refused);**
 - **US\$650,000 paid to GEMR on Completion, together with release of the US\$400,000 held in escrow, bringing aggregate cash received by GEMR to US\$1.3 million by Completion;**
 - **US\$200,000 deferred payment before the first anniversary of Completion; and**
 - **US\$200,000 deferred payment before the second anniversary of Completion.**
- **Additional 5% gross revenue royalty on rough emeralds mined and sold from Gravelotte for up to two years following Completion, capped at an aggregate of US\$700,000 (with the cap reduced by equivalent amounts accrued during the interim period, as described below).**

- **Resulting in potential aggregate consideration of up to US\$2.4 million.**
- **Following the required appointments under section 101 of the South African Mineral and Petroleum Resources Development Act 2002 (the "MPRDA") and the South African Mine Health and Safety Act 1996 (the "MHSA"), the Purchaser's group will fund Gravelotte's care and maintenance and operating costs pending Completion.**

The Disposal remains conditional upon, inter alia, satisfaction of the conditions precedent set out in the SPA, including receipt of the Section 11 Consent.

Louis Ching, Executive Chairman of Gem Resources plc, commented:

"This transaction represents an important milestone for GEMR and forms part of a broader strategy that the Board has been implementing to reposition the Company towards operating, revenue-generating natural resources businesses, with an increasing focus on gold processing operations.

The conditional disposal of Gravelotte allows us to crystallise value from the project while retaining meaningful exposure to its future production potential through the 5% gross revenue royalty. With potential aggregate consideration of up to US\$2.4 million, we believe this represents an attractive outcome for GEMR and its shareholders.

Together with the El Yarumo Acquisition, the Disposal demonstrates the direction in which we are taking GEMR: recycling capital from existing assets, reducing funding commitments and directing our resources towards opportunities offering earlier revenue, cash flow and scalable growth in gold processing."

Background to and Reasons for the Disposal

The Board considers that the Disposal allows GEMR to monetise the value created at Gravelotte, materially reduce its future funding commitment to the project and retain exposure to future production through the royalty. The Disposal forms part of the Group's strategy of recycling capital from existing assets into operating, revenue-generating businesses, with an increasing focus on gold processing. The El Yarumo Acquisition is a key part of this strategy and, subject to its completion, will provide a platform for further optimisation, expansion and complementary opportunities. The Board considers the Disposal to be in the best interests of the Company and its shareholders as a whole.

Following Completion, and independently of the El Yarumo Acquisition (which remains conditional), GEMR will continue to hold: (i) a 65% interest in Prasinus Exploration Limited, the owner of the Curlew Emerald Mine in the Pilbara region of Western Australia ("Curlew"), with the right to acquire the remaining 35%; Curlew holds a mining lease which runs to May 2044 and the Company is evaluating options for a phased restart of production; and (ii) through Malaika Exploration (Zambia) Limited, an exploration licence in north-east Zambia prospective for high-grade graphite, coltan, lithium and rare earth elements. Accordingly, the Board considers that, both on signing of the SPA and following Completion, GEMR will continue to carry on a business with operating and development-stage mining assets, and that its assets will not consist solely or predominantly of cash or short-dated securities.

Transaction Terms

Under the SPA, GEMR has agreed to sell 200 ordinary shares in Gem Venus, representing 100% of its issued share capital, to GGM. Gem Venus holds 74% of the issued shares in each of Adit Mining Consultants and Trading Proprietary Limited ("Adit Mining"), the holder of the mining right for emeralds at Gravelotte, and Venus Emeralds Proprietary Limited ("Venus Emeralds"), the holder of the associated prospecting right. Completion is to occur on the third business day after fulfilment (or

waiver, where permitted) of the last of the conditions precedent. The Purchaser's obligations under the SPA and the Royalty Agreement (as defined below) are guaranteed by its parent company, Lapcam Limited ("Lapcam"), a company incorporated in the British Virgin Islands.

The fixed purchase price of US\$1.7 million is payable in cash in tranches. On signing of the SPA, the Purchaser is required to pay US\$400,000 into an escrow account, to be held by the escrow agent pending Completion. Within two business days of the date falling 180 days after signing of the SPA (the "Initial CP Completion Date"), the Purchaser will pay US\$250,000 directly to GEMR, refundable if the SPA lapses or is terminated, or if the Section 11 Consent is refused. On Completion, and provided GEMR is not in breach of the SPA, GEMR will receive a further US\$650,000 together with the escrowed amount (with accrued interest), bringing aggregate cash received to US\$1.3 million. GEMR will then receive deferred payments of US\$200,000 before each of the first and second anniversaries of Completion, with interest accruing on any overdue amount. The deferred consideration is unsecured but is covered by the Lapcam guarantee.

In addition, under a royalty agreement between GEMR, GGM, Adit Mining and Venus Emeralds (the "Royalty Agreement"), GGM will pay GEMR a royalty of 5% of the value of rough emeralds mined and sold from Gravelotte following Completion, payable quarterly in arrears. Sales to related parties of GGM must be made at or above a fair market value determined by an independent gemmologist. The royalty is subject to an aggregate cap of US\$700,000 and will cease on the earlier of the cap being reached and the second anniversary of Completion (extended for any suspension of operations exceeding 30 days). The cap will be reduced, dollar for dollar, by any equivalent royalty-based amounts accrued under the interim contractorship arrangements described below before Completion, which are payable to Adit Mining rather than to GEMR. Accordingly, there can be no assurance that any or all of the royalty consideration will be received by GEMR.

From Completion, rehabilitation and environmental obligations in respect of Gravelotte will remain with Adit Mining and Venus Emeralds, and the Purchaser has indemnified GEMR against losses relating to the rehabilitation of the mine. GEMR has given customary warranties, with claims subject to a de minimis threshold of US\$100,000, a two-year claims period and an aggregate cap equal to the purchase price paid. On Completion, GEMR's existing R7.5 million loan to Adit Mining will be terminated.

Interim Operations

Adit Mining and Venus Emeralds have also entered into an interim contractorship and offtake agreement with a South African subsidiary of GGM, Global Gem Mines Limited (the "Contractor"), and Lapcam (the "Interim Contractorship Agreement"), intended to facilitate the progression of Gravelotte during the period between signing of the SPA and Completion.

Under this arrangement, the Contractor is appointed as exclusive mining contractor under section 101 of the MPRDA, with effect from the date on which the required statutory appointments are made. These comprise the appointment by Adit Mining and Venus Emeralds of an employer's representative under section 4(1) of the MHSA and of a mine manager, nominated by the Contractor, under section 3(1)(a) of the MHSA. From that date, the Contractor will be responsible for the mining, processing and prospecting services at Gravelotte and will bear all costs incurred in providing those services, and will purchase the emeralds it mines at a price per carat plus 5% of gross revenue from their sale. Lapcam will provide the Contractor with a drawdown facility to fund recommencement, care and maintenance and operational requirements during this interim period, and has guaranteed the Contractor's obligations in favour of Adit Mining and Venus Emeralds. GEMR is not a party to the facility and has no repayment obligation in respect of it. The Interim Contractorship Agreement terminates on the earlier of Completion and the SPA lapsing.

Conditions and Timetable

Completion remains subject to a number of conditions precedent, including the Section 11 Consent, being the consent of the South African Minister of Mineral and Petroleum Resources pursuant to section 11 of the MPRDA to the change in the indirect controlling interest in Adit Mining and Venus Emeralds. The initial conditions precedent under the SPA, which must be satisfied on or before the Initial CP Completion Date, include:

- submission of the application for the Section 11 Consent;
- completion of the Purchaser's further due diligence and delivery of written confirmation that it is satisfied with the outcome;
- receipt of any third-party consents or waivers required to implement the Disposal, including any applicable waivers of pre-emption rights; and
- written confirmation from GEMR's UK legal advisers that entry into the Disposal and the ancillary agreements will not result in the Company being a shell company for the purposes of the UK Listing Rules.

The parties have agreed to submit the application for the Section 11 Consent as soon as reasonably possible and in any event within 30 business days after signing of the SPA, with the costs of the application borne by the Purchaser. The SPA will lapse if the Section 11 Consent has not been granted within 12 months after submission of the application, unless extended by agreement.

The Company will provide further updates regarding satisfaction of the conditions precedent, the Section 11 Consent process and progress at Gravelotte as appropriate.

Additional information

For the purposes of UK MAR, the person who arranged for the release of this announcement was Bernard Olivier, Chief Executive Officer.

Enquiries

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Forward-Looking Statements

This announcement contains certain forward-looking statements relating to the Disposal, Gravelotte, the El Yarumo Acquisition and the future strategy and operations of GEMR. Such statements are based on the Board's current expectations, estimates and assumptions and are subject to risks, uncertainties and other factors which may cause actual results, performance or outcomes to differ materially from those expressed or implied. In particular, there can be no assurance that the Disposal will complete, that the Section 11 Consent will be obtained (or obtained on terms acceptable to the parties), that the deferred consideration or the maximum royalty consideration will be received, that the El Yarumo Acquisition will complete, or that the Company's strategic shift towards gold processing operations will be successfully implemented. Except as required by applicable law or regulation, the Company undertakes no obligation to update or revise any forward-looking statements.

About Gem Resources Plc ("GEMR")

GEMR is a natural resources company focused on identifying, acquiring and advancing value-accretive mining and resource development opportunities. The Company's strategy is to apply disciplined technical and financial analysis to a pipeline of projects across precious stones, precious metals and other commodities, with the objective of creating long-term shareholder value through exploration, development, optimisation and, where appropriate, asset realisation.

GEMR currently holds interests in mining and resource projects in Africa and Australia, and has agreed, subject to conditions, to acquire the El Yarumo gold processing operation in Colombia. The Company continues to review additional opportunities that fit its capital allocation and risk-return criteria. The Board remains focused on prudent balance sheet management, transparent governance and active portfolio management, including the potential divestment, joint venture or development of existing assets where this is in the best interests of shareholders.

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