

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS ANNOUNCEMENT.

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



Gem Resources Plc

("GEMR" or the "Company")

First Emerald Sales Successfully Completed

Gem Resources Plc (LSE: GEMR)s pleased to announce the successful completion of its first test sales of emeralds produced from its Gravelotte Emerald Mine, located in South Africa's Limpopo Province. These initial sales represent a significant operational milestone for the Company and provide encouraging indications regarding the geological model, recovery process, and the potential for future commercial viability. Importantly, the sales have also provided valuable price point information across different product categories, which will assist in shaping future marketing and operational strategies.

Test Sale Highlights

The test sales comprised emeralds produced from the Company's Cobra pit, where hard rock mining commenced in late January 2025. While production occurred during February and March, the majority of the mixed-grade material sold was mined and processed during February 2025, enabling a meaningful assessment of early-stage performance and market interest.

Key results include:

- **8,130 carats** of mixed-grade emeralds sold for **USD 43,000**, achieving an average realised price of **USD 5.29 per carat**;
- **819 grams** of low-grade material (green beryl) sold for **USD 2,000**, establishing a benchmark for by-product material;
- **3,000 grams** of emerald-bearing material recovered from historic tailings sold for **USD 12,000**, highlighting the potential for incremental revenue from secondary sources.

Whilst the Company is pleased to have achieved its first sale, it notes that the prices achieved in this test sale are reflective of the current global uncertainty surrounding U.S. import tariffs on coloured gemstones and the associated subdued trading environment in key jewellery markets such as China. Feedback from our own sales process, combined with recent market reports, indicates that the international gemstone trade has slowed significantly in light of ongoing tariff and trade uncertainties. The Company believes that significantly higher prices can be achieved under more normalised market conditions.

Operational Efficiency and Cost Management

For the material mined by the Company during February 2025, the all-in mining and processing cost was approximately USD 50,000, compared to gross revenue of USD 45,000 (excluding tailings). This result demonstrates that the Company is moving closer to operational breakeven during its early ramp-up phase-an encouraging position for a reactivated operation at this stage of development.

The Company believes that with increased mining and production volumes with resulting reduced unit costs, the Gravelotte Emerald Mine has the potential to become a profitable and global, reliable supplier of high-quality emeralds.

Market Conditions and Industry Context

The broader coloured gemstone sector is facing a period of adjustment, with:

- Ongoing uncertainty surrounding potential U.S. import tariffs on coloured gemstones, contributing to buyer caution and price volatility; and
- Weakened demand in key Asian markets, particularly China;

Strategic Focus and Operational Flexibility

GEMR is well positioned to navigate the current landscape and is taking active steps to preserve value and optimise execution, including:

- A conservation of capital programme targeting reduced non-essential expenditure;
- Operational agility afforded by its scale, enabling rapid adjustment to market conditions;
- Near-term focus on advancing the Curlew Project, with a view to achieving production readiness in parallel with anticipated market improvement. Reactivation costs at Curlew are expected to be low.

Outlook

The Board remains confident in the long-term fundamentals of the emerald industry and in GEMR's ability to capitalise on improved economic conditions as the global gemstone market stabilises.

Chairman's Comments - Ed Nealon

"Our first test sales totalling 57,000 is an important milestone for GEMR, confirming the commercial potential of our project, even in such a poor current market. We agree with our peers that the current market conditions are short term in nature and a reflection of the current tariff and trade uncertainty and that colour gemstones will continue their medium- to long-term upward trajectory

We are particularly pleased with the results from the hard rock mining operations, which commenced in late January and have delivered solid recovery volumes and promising early economics. This is a strong indication of the potential scalability and quality of our Cobra pit resource.

While a portion of the test sale related to material extracted from historical tailings our operational focus will remain firmly on GEMR's hard rock mining operations, where we see the strongest commercial potential.

We believe that with increased mining and production, coupled with reduced unit costs and a recovery in the market conditions, the Gravelotte Emerald Mine can become a profitable and reliable supplier of emeralds to the global market."

Enquiries:

Gem Resources Plc

+44 (0)746 368 6497

Chief Executive Officer
Bernard Olivier

Executive Director
Peter Redmond

FOR INFORMATION

Chief Operating Officer
Jeremy Sturgess-Smith

info@gemresources.co.uk

Peterhouse Capital Limited
Joint Corporate Broker
Lucy Williams
Duncan Vasey

+44 (0)20 7469 0930

Capital Plus Partners
Joint Corporate Broker
Jon Critchley

+44 (0)203 821 6169

About Gem Resources Plc ("GEMR")

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

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

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

UPDEAALDASNSEFA