

Thursday, 4 September 2025

**Gem Diamonds Limited
Half Year 2025 Results**

Gem Diamonds Limited (LSE: GEMD) ("Gem Diamonds", the "Company" or the "Group") announces its Half Year Results for the six months ended 30 June 2025 (the "Period").

FINANCIAL RESULTS:

- Revenue of US 45.4 million (H1 2024: US 78.0 million)
- Negative underlying EBITDA of US 2.6 million (H1 2024: positive underlying EBITDA of US 19.1 million)
- Attributable loss of US 11.7 million after goodwill impairment of US 10.7 million (H1 2024: attributable profit of US 2.1 million)
- Loss per share of 8.4 US cents (H1 2024: earnings per share of 1.5 US cents)
- Cash on hand of US 6.8 million (31 December 2024: US 12.9 million) as at 30 June 2025 (US 5.4 million attributable to Gem Diamonds) and unutilised facilities of US 55.8 million
- Net debt of US 28.2 million (31 December 2024: US 7.3 million)

OPERATIONAL RESULTS:

Letšeng

- Zero fatalities and zero lost time injuries
- Recovered 47 125 carats (H1 2024: 55 873 carats)
- Waste tonnes mined of 1.7 million tonnes (H1 2024: 3.2 million tonnes)
- Ore treated of 2.5 million tonnes (H1 2024: 2.5 million tonnes)
- Average price of US 1 008 per carat achieved (H1 2024: US 1 366 per carat)
- The highest dollar per carat achieved for a white rough diamond during the Period was US 26 441 per carat

Goodwill impairment

Taking into account the prevailing market conditions, current diamond prices and exchange rates, the recoverable amount of Letšeng was assessed at Period end and an impairment of US 10.7 million was recorded to bring the carrying value in line with the recoverable amount. The impairment was allocated to goodwill which is now fully impaired.

Safety performance

Letšeng recorded zero LTIs during the Period (H1 2024: three), resulting in a zero LTIFR (2024: 0.18) and an AIFR of 0.51 (2024: 0.61), respectively.

Response to market conditions

As reported in the trading update published on 23 July 2025, Gem Diamonds has implemented decisive measures to conserve cash and protect shareholder value in response to the prolonged weakness in global diamond prices, compounded by a weak US dollar and ongoing US tariff uncertainties. While the Company has met its production targets in H1 2025, it has not been immune to the sustained pressure on rough diamond prices.

Key short-term cashflow optimisation measures implemented include the short-term reduction of waste and access to additional Satellite Pipe ore to be treated, workforce rationalisation due to the scaled-back activities and a reduction in corporate costs.

Letšeng's long-term mine plan

Further waste mining reduction initiatives were implemented at Letšeng. Consequently, the life of mine has reduced from 2039 to 2035 using current pricing assumptions and costs. Annual throughput of approximately 5.0 million ore tonnes has been maintained. Should market conditions improve, the flexibility exists to again extend the life of mine. Gem Diamonds remains committed to its long-term strategy of producing exceptional quality diamonds and is confident that the measures implemented will position the Group for a strong recovery when market conditions improve.

The Company's production and cost forecasts for FY2025 remain in line with the revised guidance as published in the trading update on 23 July 2025.

Commenting on the results today, Clifford Elphick, Chief Executive Officer of Gem Diamonds, said:

"The industry continues to face significant challenges. Sustained pricing pressure, softer demand in key markets, ongoing macroeconomic and geopolitical uncertainty, and tariff uncertainties in respect of India, combine to create difficult trading conditions."

H1 2025 production targets were achieved, however, revenue decreased significantly. In response, key decisions to adapt the mine plan to reduce costs, necessitated the unfortunate retrenchment of 240 employees at Letšeng. While deeply regrettable, these actions position Letšeng to operate sustainably."

The Company will host a live audio webcast presentation of the half year results today, 4 September 2025, at 9:30 BST. This can be viewed by registering on the Company's website using the following link: https://gemdiamonds.zoom.us/webinar/register/WN_50gMcwzXTmOr37OU3-ARkQ.

The page references in this announcement refer to the Half Year Report 2025, which can be found on the Company's website: www.gemdiamonds.com.

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ABOUT GEM DIAMONDS:

Gem Diamonds is a leading global diamond producer of high value diamonds. The Company owns 70% of the Letšeng mine in Lesotho. The Letšeng mine is famous for the production of large, exceptional white diamonds, making it the highest dollar per carat kimberlite diamond mine in the world.

INTERIM BUSINESS REVIEW

OVERVIEW

The Group presents its results for the six months ended 30 June 2025 (the Period) reflecting the ongoing challenging conditions in the diamond market. These headwinds are driven by a volatile global economic landscape, persistent geopolitical tensions, uncertainty surrounding US tariffs, a weaker US dollar and the remaining impact from synthetic diamonds. Despite a modest price recovery reported in January, downward pressure on both rough and polished diamond prices has persisted into 2025.

Letšeng's production volumes for the Period were in line with the planned output, in accordance with the mine plan implemented in December 2024. Operating costs were well-managed and reflected the benefit of the insourcing of treatment activities at the end of 2024.

Revenue was significantly impacted by the persistent challenging market conditions and low diamond prices achieved during the Period. Revenue decreased by 42% to US 45.4 million compared to US 78.0 million in H1 2024. An average price of US 1 008 per carat was achieved from the sale of 44 360 carats (H1 2024: US 1 366 per carat from the sale of 56 994 carats) from Letšeng. Revenue was lower compared to H1 2024 due to pricing achieved under current diamond market conditions and reduced carat volumes, driven by the planned processing of lower volumes of higher-value, higher-grade Satellite Pipe ore during the Period.

This resulted in the Group incurring a negative underlying EBITDA before discontinued operations of US 2.6 million and after a consumable stock obsolescence and stockpile write-down of US 1.7 million (H1 2024: positive underlying EBITDA of US 19.1 million). An attributable loss of US 11.7 million was recorded after a goodwill impairment of US 10.7 million (H1 2024: attributable profit of US 2.1 million).

The Group ended the Period with a cash balance of US 6.8 million (31 December 2024: US 12.9 million) and drawn down facilities of US 34.9 million (31 December 2024: US 20.2 million), resulting in a net debt position of US 28.2 million (31 December 2024: US 7.3 million) and unutilised available facilities of US 55.8 million (31 December 2024: US 69.0 million).

Waste tonnes mined during the Period were reduced to 1.7 million tonnes (H1 2024: 3.2 million) in line with the mine plan. Further waste mining reduction initiatives were implemented at Letšeng, following an optimised smaller cutback in Main Pipe Cut 4 West (MC4W) and isolated steeper pit design opportunities. As a result, the life of mine has been revised from 2039 to 2035, while sustaining annual ore throughput of approximately 5.0 million tonnes. The original MC4W design remains intact and under review, and may be reinstated should market conditions improve, which would again extend the life of mine.

Ore tonnes treated were 2.5 million tonnes (H1 2024: 2.5 million) from which 47 125 carats were recovered (H1 2024: 55 873). The decrease in carats recovered is primarily due to the higher proportion of lower-grade Main Pipe ore, which made up 68% of the treated ore during the Period (H1 2024: 56%).

The safety of the Group's workforce remains a top priority. The critical control management strategy initiated in 2021 to enhance the maturity of Letšeng's organisational safety culture has been fully implemented and the safety performance during the Period remained solid, with an all injury frequency rate (AIFR) of 0.51 (H1 2024: 0.61) and no recorded lost time injuries (LTIs).

The Group remains focused on achieving its decarbonisation target of reducing its 2021 Scope 1 and 2 carbon emissions by 30% by 2030. The Group achieved a 3.0% reduction in carbon emissions compared to H1 2024, the details of which are briefly discussed in the Operations Review on page 2.

Letšeng has unfortunately not been immune to the sustained pressure on rough diamond prices and adverse foreign exchange movements, despite having met its production targets during the Period. In response, shortly after Period end, the Group implemented decisive measures to conserve cash and protect shareholder value.

Implementation of the following key short-term cash flow optimisation initiatives have commenced:

- Accessing additional higher-value Satellite Pipe ore for processing during H2 2025 and H1 2026;
- Reducing waste mining volumes to a minimum without compromising the long-term mine plan while ensuring continued ore availability;
- Rationalising the workforce in line with scaled-back operating activities;
- Introducing Board and corporate office management salary sacrifices; and
- Undertaking a rigorous review of all supplier contracts.

The above initiatives are expected to be fully implemented by the end of September 2025. The Group remains committed to its long-term strategy of producing exceptional quality diamonds and is confident that the actions taken will position the Group well for recovery when market conditions improve. Market developments will continue to be closely monitored, with operational adjustments made as necessary.

LOOKING AHEAD

The key focus for the remainder of 2025 is to responsibly implement the identified cost saving initiatives in order to conserve cash and protect shareholder value during this challenging time in the diamond industry.

OPERATIONS REVIEW

H1 2025 IN REVIEW

- Zero fatalities and zero lost time injuries (LTIs)
- Zero significant or major environmental or social incidents
- Recovered four diamonds greater than 100 carats (H1 2024: eight)
- Achieved an average price of US 1 008 per carat (H1 2024: US 1 366 per carat)

- The highest price achieved was US 26 441 per carat for a 67.50 carat white diamond

SUSTAINABILITY

Health, safety and environment

The Group remains firmly committed to upholding the highest standards of health and safety across the organisation, guided by a zero harm and zero tolerance approach. Since 2021, a culture of accountable, proactive safety leadership - underpinned by disciplined, yet supportive practices - has contributed to meaningful and sustained improvements in safety performance.

The Group maintained a strong safety performance during the Period, achieving an AIFR of 0.51 with zero LTIs recorded.

Safety performance	Unit	H1 2025	2024	2023	2022	2021
Fatalities	Number	0	0	0	0	0
Lost time injuries (LTIs)	Number	0	3	2	3	6
Lost time injury frequency rate (LTIFR)	200 000 man hours	0.00	0.18	0.10	0.13	0.24
All injury frequency rate (AIFR)	200 000 man hours	0.51	0.61	0.67	0.70	0.93

No major or significant environmental incidents occurred at any of the Group's operations during the Period.

Corporate social responsibility investment (CSRI)

In H1 2025, the Group remained focused on executing its CSRI strategy and initiatives to support its project-affected communities, maintain its social license to operate, and advance the Group's commitment to the UN Sustainable Development Goals. The five-year CSRI strategy (2022 - 2026) remains on track, aligning with both community needs and Group objectives. No major stakeholder complaints were received during the Period.

Carbon emissions

The Group is working towards its decarbonisation target of reducing its Scope 1 and 2 carbon emissions by 30% by 2030 (measured against 2021). The Group's immediate priorities are improving energy efficiencies and reducing diesel and electricity consumption, while it continues to assess suitable low-carbon and renewable energy alternatives.

In H1 2025, the Group's total carbon footprint (Scope 1, 2 and 3) was 50 717 tCO₂e, a 3.0% reduction compared to H1 2024 of 52 283 tCO₂e, mainly due to the reduction in waste mining activities. The aggregate Scope 1 and 2 emissions for H1 2025 are similar to H1 2024 (decreased by 2%) while the individual emissions for Scope 1 and Scope 2 inversely fluctuated due to reduced load shedding by Eskom during the Period.

Carbon emissions	Unit	H1 2025	H1 2024	% change
Scope 1 (direct)	tCO ₂ e	14 923	17 601	(15)
Scope 2 (indirect)	tCO ₂ e	31 243	29 270	7
Total Scope 1 and 2	tCO₂e	46 166	46 871	(2)
Scope 3 (indirect)	tCO ₂ e	4 551	5 412	(16)
Total Scope 1, 2 and 3	tCO₂e	50 717	52 283	(3)

Residue storage facility (RSF) management

The Group's RSF management policy and standards are aligned to the Global Industry Standard on Tailings Management (GISTM). Robust management and governance structures are in place at both operational and Group levels to ensure effective management, oversight and assurance. Letšeng's RSFs remain in good condition, supported by a focused and well-executed operations, management and control strategy.

LETŠENG'S LONG-TERM MINE PLAN

An updated life-of-mine plan for Letšeng was implemented in December 2024, as announced to the market at the time and outlined in the Annual Report and Accounts 2024 (page 43). This mine plan included ore from the following open-pit cutbacks: Main Pipe Cut 4 East (MC4E), Main Pipe Cut 4 West (MC4W), Satellite Pipe Cut 5 West (SC5W) and a redesigned Satellite Pipe Cut 6 West (SC6W) incorporating steeper slopes in the competent basalt rock. A life-of-mine plant throughput of c. 5.0 million tonnes per annum was maintained to 2039. Waste stripping of the redesigned SC6W cutback was scheduled to commence in H2 2025, with ore from SC6W scheduled to be available for processing from the end of 2029.

Letšeng's long-term mine plan remains under continuous review to identify optimisation opportunities and to ensure the viability of each cutback, considering current and foreseeable diamond market and economic conditions, as well as the respective impact that each cutback has on the overall value of the mine, under prevailing conditions.

In line with this strategy, the mine plan was further optimised during the Period, with a specific focus on accessing additional ore from SC5W, and reducing waste mining and associated costs in the short to medium term. These initiatives have been implemented as part of the Group's focus on enhancing short-term cash flows and long-term value, and include:

- Extension of SC5W, providing access to approximately 1.0 million tonnes of higher-value Satellite Pipe ore to be mined and processed during H2 2025 and H1 2026;
- Reconfiguration of MC4W, enabling access to approximately 10.8 million tonnes of ore with only c. 1.4 million tonnes of associated waste. The smaller MC4W cutback and revised sequencing significantly improve short to medium-term operational cash flows and enhance project economics under current market conditions. The original MC4W design remains preserved and under review, subject to future market developments; and
- Deferment of waste mining in MC4E and SC6W, implemented post Period end as part of immediate cash flow preservation measures. The updated mine plan supports this deferment while maintaining targeted ore treatment volumes of approximately 5.0 million tonnes per annum through to 2034.

Under the revised mine plan, the life of mine has been reduced from 2039 to 2035, with the treatment of approximately 1.5 million tonnes in the final year. The mine plan remains under ongoing review to ensure continued value optimisation in response to prevailing economic conditions.

PRODUCTION OVERVIEW

	Unit	H1 2025	H1 2024	% change
Waste mined	tonnes	1 698 817	3 163 476	(46)
Ore mined	tonnes	2 565 796	2 588 583	(1)
Ore treated	tonnes	2 504 001	2 542 114	(1)
Carats recovered	carats	47 125	55 873	(16)
Recovered grade	cpht ¹	1.88	2.20	(15)

¹ Carats per hundred tonnes.

Production volumes at Letšeng for the Period were aligned with the mine plan implemented in December 2024, with a deliberate and responsible reduction of waste mining to manage and contain costs in the prevailing market conditions.

Waste mining decreased by 46% to 1.7 million tonnes compared to 3.2 million tonnes in H1 2024. Waste mining will be further reduced over the short to medium term to preserve cash resources until market conditions improve, as discussed above.

Ore tonnes treated in H1 2025 of 2.5 million was very similar to H1 2024, in line with the planned treatment throughput rate of c. 5.0 million tonnes per annum. The immediate reduction in waste mining, as outlined above, will not adversely affect ore accessibility required to meet the treatment volumes set out in the life-of-mine plan discussed above.

Letšeng recovered 47 125 carats compared to 55 873 carats in H1 2024. The 16% decrease in carats recovered during the Period is primarily due to the lower-grade Main Pipe contributing 68% (H1 2024: 56%) to the treated ore in the Period. Several initiatives are being implemented to access c. 1.0 million tonnes of higher-value and higher-grade Satellite Pipe ore over the next 12 months, which is expected to improve both the volume of carats recovered and average price per carat achieved.

The overall grade for H1 2025 was 1.88 cpht (H1 2024: 2.20 cpht), representing a decrease of 15% due primarily to a lower contribution of higher-grade Satellite Pipe ore, which accounted for 32% (H1 2024: 44%) of ore treated during the Period.

Frequency of large diamond recoveries

Number of diamonds	H1 2025	H1 2024	FY average 2008 - 2024
>100 carats	4	8	8
60 - 100 carats	10	3	18
30 - 60 carats	21	47	77
20 - 30 carats	51	58	113
10 - 20 carats	211	261	450
Total diamonds > 10 carats	297	377	666

Three additional diamonds larger than 100 carats were recovered after Period end, resulting in seven diamonds larger than 100 carats being recovered year to date, compared to the full year average of eight for the period from 2008 to 2024.

ROUGH DIAMOND SALES

The average price achieved during the Period was US 1 008 per carat (H1 2024: US 1 366 per carat). 44 360 carats were sold during the Period, generating rough diamond revenue of US 44.7 million (H1 2024: 56 994 carats generating revenue of US 77.9 million). Revenue was lower compared to H1 2024 due to pricing achieved under current diamond market conditions and reduced carat volumes, driven by the planned processing of lower volumes of higher-value, higher-grade Satellite Pipe ore during the Period. This also resulted in a decrease in both the number and quality of high-value larger than 100 carat diamonds being recovered.

The highest price achieved was US 26 441 per carat for a 67.50 carat white diamond. Six diamonds sold for more than US 1.0 million each, generating revenue of US 9.3 million (H1 2024: 11 diamonds sold for more than US 1.0 million each, generating revenue of US 29.5 million). Three of the four larger than 100 carat diamonds recovered were sold in the Period.

GHAGHOO

Following the completion of agreed safety and remedial activities, including the removal of the processing plant and civil infrastructure, the Ghaghoo mine site was formally handed back to the Botswana Ministry of Minerals and Energy, through the Department of Mines. As of 1 June 2025, the Department of Mines has assumed full responsibility for the mine and the Group has no further obligations or commitments related to the license or the mine.

GROUP FINANCIAL PERFORMANCE

H1 2025 IN REVIEW

- Revenue achieved of US 45.4 million (H1 2024: US 78.0 million)
- Negative underlying EBITDA2 of US 2.6 million (H1 2024: positive underlying EBITDA of US 19.1 million)
- Attributable loss of US 11.7 million after goodwill impairment of US 10.7 million (H1 2024: attributable profit of US 2.1 million)

PROFITABILITY AND LIQUIDITY

Refer to the financial statements on page 10.

US million	H1 2025	H1 2024*
Revenue	45.4	78.0
Royalties and selling costs	(5.2)	(8.4)

Continued on page 11

Cost of sales ⁴	(39.7)	(46.5)
Corporate expenses	(3.1)	(4.0)
Underlying EBITDA²	(2.6)	19.1
Depreciation and mining asset amortisation	(6.1)	(6.0)
Share-based payments	(0.1)	(0.4)
Other operating income	0.5	0.1
Impairment of goodwill	(10.7)	-
Foreign exchange gain	1.1	1.1
Net finance costs	(2.1)	(3.4)
(Loss)/profit before tax for the Period	(20.0)	10.5
Income tax benefit/(charge)	2.4	(4.4)
(Loss)/profit after tax for the Period	(17.6)	6.1
Non-controlling interests	4.3	(3.4)
Attributable (loss)/profit from continuing operations	(13.3)	2.7
Profit/(loss) from discontinued operation	1.6	(0.6)
Attributable net (loss)/profit	(11.7)	2.1
(Loss)/earnings per share (US cents)	(8.4)	1.5
(Loss)/earnings per share from continuing operation (US cents)	(9.5)	1.9
Earnings/(loss) per share from discontinued operation (US cents)	1.1	(0.4)

* The prior year figures have been re-presented, as Gem Diamonds Botswana (Proprietary) Limited (Ghaghoo Diamond Mine) is classified as a discontinued operation for the current financial reporting period. Refer Note 15, Discontinued operation.

¹ Including waste stripping amortisation costs but excluding depreciation and mining asset amortisation.

² As defined in Note 6, Underlying earnings before interest, tax, depreciation and mining asset amortisation (underlying EBITDA) of the condensed notes to the consolidated interim financial statements.

The Group incurred a negative underlying EBITDA² of US 2.6 million (H1 2024: positive underlying EBITDA US 19.1 million) after a consumable stock obsolescence and stockpile write-down of US 1.7 million. The loss attributable to shareholders from continuing operations was US 13.3 million after recording a goodwill impairment of US 10.7 million (H1 2024*: profit of US 2.7 million). This equated to a loss per share of 9.5 US cents (H1 2024: profit per share of 1.9 US cents) on a weighted average number of shares in issue of 139.7 million (H1 2024: 139.7 million shares).

Revenue

US million	H1 2025	H1 2024
Sales - rough	44.7	77.9
Sales - polished margin	0.3	0.6
Impact of carrying over rough diamonds	0.4	(0.5)
Group revenue	45.4	78.0

The Group's revenue of US 45.4 million was mainly generated by the sale of 44 360 carats at an average price of US 1 008 per carat. Additional revenue is generated through an arrangement with two diamond manufacturing customers to supply polished diamonds to some of the world's most premium luxury brands, and other partnership arrangements. These agreements allow the Group to share in a margin uplift on the sale of polished diamonds. In H1 2025, additional revenue of US 0.3 million (H1 2024: US 0.6 million) was generated from these arrangements.

Costs

The Group closely manages its costs to preserve cash resources and maintain appropriate liquidity. Operating expenses continue to be negatively impacted by higher inflation. The insourcing of mining, treatment and certain other activities at Letšeng had a positive impact on costs, significantly reducing operating expenses in H1 2025 compared to H1 2024.

OPERATING EXPENSES

Total direct cash costs at Letšeng (including waste costs) decreased 14% to LSL699.0 million (US 38.0 million) in H1 2025 from LSL809.5 million (US 43.2 million) in H1 2024. This is due to the 46% decrease in waste tonnes mined, cost savings realised through the insourcing of treatment activities at the end of 2024 and the ongoing review of all operational areas with a focus on cost reduction.

Direct cash costs (excluding waste costs) per tonne treated decreased by 5% in local currency to LSL232.48 (US 12.65) in H1 2025 compared to LSL243.84 (US 13.01) in H1 2024 mainly due to the above-mentioned cost savings realised.

Non-cash accounting charges per tonne treated decreased by 40% mainly due to waste amortisation that decreased to US 13.6 million (H1 2024: US 17.8 million) due to the higher contribution of Main Pipe ore that has a lower stripping ratio. A further decrease in the unit cost was driven by movements in stockpile and diamond inventory.

Total waste cash costs decreased by 38% to LSL116.8 million (US 6.4 million) compared to LSL189.6 million (US 10.1 million) in H1 2024 due to the 46% decrease in waste tonnes mined and other cost savings realised. The waste cash cost per waste tonne mined, however, increased by 15% primarily reflecting the fixed cost component allocated over lower volumes of waste tonnes.

Letšeng unit cost analysis

Unit cost per tonne treated	Direct cash	Non-cash accounting	Total operating	Waste costs per waste
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	costs ¹	charges ²	costs	tonne mined
H1 2025 (LSL)	232.48	60.27	292.75	68.76
H1 2024 (LSL)	243.84	100.22	344.06	59.94
% change	(5)	(40)	(15)	15
H1 2025 (US)	12.65	3.28	15.93	3.74
H1 2024 (US)	13.01	5.35	18.36	3.20
% change	(3)	(39)	(13)	17

¹ Direct cash costs represent all operating costs (excluding waste costs), excluding royalty and selling costs.

² Non-cash accounting charges include waste stripping cost amortised, inventory and ore stockpile adjustments, and finance lease costs, and exclude depreciation and mining asset amortisation.

CORPORATE EXPENSES

Corporate office costs are incurred to provide expertise in all areas of the business to realise maximum value from the Group's assets. These costs are incurred by the Group through its technical and administrative offices in South Africa (in South African rand) and head office in the UK (in British pounds).

Corporate costs are closely managed and ongoing rationalisation has resulted in a 23% decrease in costs to US 3.1 million compared to US 4.0 million in H1 2024.

IMPAIRMENTS

Taking into account the prevailing market conditions, current diamond prices and exchange rates, the recoverable amount of Letšeng was assessed at Period end and an impairment of US 10.7 million (US 7.5 million after tax and non-controlling interest) was recorded to bring the carrying value in line with the recoverable amount. The impairment was allocated to goodwill which is now fully impaired. Refer Note 11, Intangible assets for further details.

GHA GHOO

The Ghaghoo Diamond Mine in Botswana site was formally handed back to the Botswana Ministry of Minerals and Energy, through the Department of Mines. As of 1 June 2025, the Department of Mines has assumed full responsibility for the mine and the Group has no further obligations or commitments related to the license or the mine. This supported the release of the rehabilitation provision in the Period.

The above resulted in Gem Diamonds Botswana being classified as a discontinued operation in the Period, refer Note 14, Discontinued operation and the comparative figures for H1 2024 have therefore also been re-presented. The profit from discontinued operation in the Period amounted to US 1.6 million (H1 2024: loss of US 0.6 million in the re-presented figures) after the reversal of the rehabilitation provision of US 2.3 million.

EXCHANGE RATE IMPACTS

While revenue is generated in US dollars, the majority of operational expenses are incurred in the relevant local currency of the operational jurisdictions. Local currency rates for the Lesotho loti (LSL) (pegged to the South African rand) and Botswana pula (BWP) strengthened slightly against the US dollar compared to H1 2024, which increased the Group's US dollar reported costs and decreased local currency cash flow generation.

Exchange rates	H1 2025	H1 2024	% change	FY 2024
LSL per US 1.00				
Average exchange rate	18.39	18.73	(2)	18.34
Period end exchange rate	17.77	18.26	(3)	18.87
BWP per US 1.00				
Average exchange rate	13.70	13.66	-	13.56
Period end exchange rate	13.32	13.61	(2)	13.93
GBP per US 1.00				
Average exchange rate	0.77	0.79	(3)	0.78
Period end exchange rate	0.73	0.79	(8)	0.80

FINANCIAL POSITION

Selected totals of the Interim Consolidated Statement of Financial Position and key asset drivers are tabled below.

US million	H1 2025	FY 2024	% change
Non-current assets	291.9	295.5	
Current assets	58.2	53.6	
Total assets	350.1	349.1	-
Equity attributable to parent company	139.9	142.6	
Non-controlling interest	79.8	80.3	
Total equity	219.7	222.9	(1)
Non-current liabilities	114.3	100.8	
Current liabilities	16.1	25.4	
Total liabilities	130.4	126.2	3

Key asset drivers

US million	H1 2025	H1 2024	% change
Waste cost capitalised	8.1	12.3	(34)
Waste stripping cost amortised	13.6	17.8	(24)

Depreciation and mining asset amortisation	6.1	6.0	2
Capital expenditure	2.2	1.4	60

Waste cost capitalised decreased due to the 46% decrease in waste tonnes mined. The waste stripping cost amortised decreased to US 13.6 million (H1 2024: US 17.8 million) due to the higher contribution of Main Pipe ore of 68% that has a lower stripping ratio, compared to the 56% contribution of Main Pipe ore in H1 2024. Depreciation and mining asset amortisation increased marginally to US 6.1 million (H1 2024: US 6.0 million).

During the Period, the majority of capital spent related to the purchase of front-loading earthmoving machinery to improve ore feed into the plants and a new drill, totalling US 1.5 million. A further US 0.3 million was spent on geotechnical monitoring equipment and licenses and pit slope lateral support studies. The balance of the capital was spent on enhancements to the recovery areas for improved workflow and security, and improvements to the bioremediation plant.

Liquidity and solvency

The Group ended the Period with cash on hand of US 6.8 million (31 December 2024: US 12.9 million), of which US 5.4 million is attributable to Gem Diamonds. The Group generated cash from its operating activities of US 14.9 million (H1 2024: US 39.7 million) before investing US 11.9 million in working capital, incurring net finance costs of US 2.2 million and paying income taxes of US 9.1 million at Letšeng (mainly relating to the 2024 financial year end).

At Period end, the Group had utilised facilities of US 34.9 million (31 December 2024: US 20.2 million), resulting in a net debt position of US 28.2 million (31 December 2024: US 7.3 million) and available facilities of US 55.8 million, comprising US 22.0 million at Gem Diamonds and US 33.8 million at Letšeng. The increase in net debt is mainly due to lower revenue generated, investment in working capital and waste stripping and tax payments.

The Group-wide revolving credit facilities at Letšeng (LSL450.0 million and ZAR300.0 million) (US 42.2 million) (and Gem Diamonds (US 30.0 million) expire in December 2026.

Letšeng has a LSL100.0 million general banking facility that is reviewed annually. The Group engages regularly with lenders and credit providers to ensure access to funding and to manage the Group's cash flow requirements.

Summary of loan facilities as at 30 June 2025:

Company	Term/description/ expiry	Lender	Interest rate	Amount US million	Drawn down/ Balance due US million	Available US million
Gem Diamonds Limited	Revolving credit facility	Nedbank	Facility A (US 30 million): Term			
	Expires 21 December 2026	Standard Bank Firststrand Bank	SOFR (4.30%)+ 5.21%	30.0	8.0	22.0
Letšeng Diamonds	Revolving credit facility	Standard Lesotho Bank	Facility B (LSL450 million):			
	Expires 21 December 2026	Nedbank Lesotho	Central Bank of Lesotho rate			
		First National Bank of Lesotho Firststrand Bank	(7.25%)+ 3.25%	25.3	8.4	16.9
		Nedbank	Facility C (ZAR300 million):			
			South African JIBAR (7.56%)+ 3.00%	16.9	5.6	11.3
Letšeng Diamonds	Four-and-a-half-year project facility	Nedbank	ZAR132 million			
	Expires 31 May 2027	Export Credit Insurance Corporation	South African JIBAR (7.56%) + 2.50%	7.4	4.3	-
Letšeng Diamonds	General banking facility	Nedbank	ZAR100 million			
	Reviewed annually		South African Prime Lending Rate (10.75%) minus 0.70%	5.6	-	5.6
Letšeng Diamonds	Five-year term loan facility	Standard Lesotho Bank	LSL200 million			
	Expires 30 April 2029	Nedbank Lesotho	Lesotho prime rate (11.25%) minus 1.50%	11.3	8.6	-
Total				96.5	34.9	55.8

Taxation

The Group applies all relevant principles in accordance with prevailing legislation when assessing its tax obligations. The Group's forecast effective tax rate for the full year is 13.1% (31 December 2024: 29.4%) and has been applied to the actual results, resulting in a tax benefit being recognised for the Period. Most of the Group's taxes are incurred in Lesotho, which has a corporate tax rate of 25%. The effective tax rate is forecast below the Lesotho statutory tax rate mainly due to permanent differences arising from the impairment of goodwill which is not deductible for tax purposes and the impact of deferred tax assets not recognised on losses incurred in other operations. Refer Note 8, Income tax benefit/(charge) for more detail.

The Group continues to pursue a long-standing legal matter relating to an amended tax assessment that was issued to Letšeng by the Revenue Services Lesotho in December 2019, contradicting the application of certain tax treatments

to existing by the Revenue Service in December 2023, considering the application of certain tax treatment in the current Lesotho Income Tax Act, 1993. The Group expects to pursue this matter in the courts in H2 2025. The Group has sought senior legal counsel and their advice indicates good prospects for success.

GOING CONCERN

The projections of the Group's current and expected profitability, considering reasonable possible changes in operations, key assumptions and inputs, indicate that the Group will be able to operate as a going concern for the foreseeable future. Refer to the financial statements on page 10.

LOOKING AHEAD

Due to the prolonged weakness in global diamond prices, compounded by a weak US dollar and ongoing US tariff uncertainties, the Group has implemented further decisive measures to preserve cash resources and protect shareholder value.

The short-term cash flow optimisation initiatives discussed in the Interim Business Review are expected to be completed by the end of September 2025 and will result in an estimated LSL30.0 million (US 1.7 million) cost saving per month at Letšeng. The once-off implementation costs, consisting mainly of employee retrenchment payments, is estimated at LSL15.0 million (US 0.8 million).

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's principal risks and uncertainties, both current and emerging, that could have a material financial, operational and compliance impact on its performance and long-term growth, are presented in the Annual Report and Accounts 2024 (pages 21 to 26). The Group's risk management strategy has been implemented to manage Group risk so as to minimise threats and maximise opportunities.

The Group's principal risks as presented in the Annual Report and Accounts 2024 remain unchanged in the medium to long term and take into consideration current market and operational conditions of the Group's operations and global markets to determine whether any changes occurred in the perceived risk level associated with each principal risk.

The assessed risk levels for (i) rough diamond demand and prices and (ii) variability in cash generation, as presented in the Annual Report and Accounts 2024, have increased from the previous year. The increase in the level of risk is attributed primarily to macro-economic and geopolitical uncertainty, increasing inflationary pressures, US tariff uncertainty, a weak US dollar and the prolonged weakness in global diamond prices.

Clifford Elphick

Chief Executive Officer

3 September 2025

HALF-YEAR FINANCIAL STATEMENTS

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE HALF-YEAR REPORT AND FINANCIAL STATEMENTS

PURSUANT TO DISCLOSURE AND TRANSPARENCY RULES (DTR) 4.2.10

The Directors confirm that, to the best of their knowledge, this condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting and that the Half-Year Report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

(a) an indication of important events that have occurred during the first six months of the financial year and their impact on this condensed set of financial statements; and

(b) material related-party transactions in the first six months of the year and any material changes in the related-party transactions described in the Gem Diamonds Limited Annual Report 2024.

On 31 March 2025, Michael Lynch-Bell, the Senior Independent Non-Executive Director retired from the Board following his nine-year tenure and in line with UK Corporate Governance principles. With effect from 1 April 2025, Janet Blas was appointed to the Board as a Non-Executive Director, the Audit Committee Chair and a member of the Remuneration Committee; and Non-Executive Director, Rosalind Kainyah, was appointed as the Senior Independent Director and Chair of the Remuneration Committee. The names and functions of the other Directors of Gem Diamonds Limited are listed in the Annual Report for the year ended 31 December 2024.

For and on behalf of the Board

Michael Michael

Chief Financial Officer

3 September 2025

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	30 June 2025 ¹ US '000	30 June 2024 ^{1*} US '000
CONTINUING OPERATIONS			
Revenue from contracts with customers	4	45 369	78 039
Cost of sales		(45 729)	(52 540)
Gross (loss)/profit		(360)	25 499
Other operating income	5	534	79
Royalties and selling costs		(5 167)	(8 388)
Corporate expenses		(3 124)	(3 966)
Share-based payments	16	(137)	(374)
Foreign exchange gain		1 128	1 105
Impairment of goodwill		(10 743)	-
Operating (loss)/profit		(17 869)	13 955

Net finance costs		(2 159)	(3 426)
- Finance income		528	417
- Finance costs		(2 687)	(3 843)
(Loss)/profit before tax for the Period		(20 028)	10 529
Income tax benefit/(charge)	8	2 413	(4 392)
(Loss)/profit for the Period before discontinued operation		(17 615)	6 137
DISCONTINUED OPERATION			
Profit/(loss) after tax for the Period from discontinued operation	14	1 598	(601)
(Loss)/profit for the Period		(16 017)	5 536
<i>Attributable to:</i>			
Equity holders of parent		(11 689)	2 056
Non-controlling interests		(4 328)	3 480
(Loss)/earnings per share (cents)			
- Basic (loss)/earnings for the Period attributable to ordinary equity holders of the parent		(8.37)	1.47
- Diluted (loss)/earnings for the Period attributable to ordinary equity holders of the parent		(8.05)	1.44
(Loss)/earnings per share (cents) for continuing operations			
- Basic (loss)/earnings for the Period attributable to ordinary equity holders of the parent		(9.51)	1.90
- Diluted (loss)/earnings for the Period attributable to ordinary equity holders of the parent		(9.15)	1.86

¹ Unaudited

* The prior year figures have been re-presented, as Gem Diamonds Botswana (Proprietary) Limited (Ghaghoo Diamond Mine) was classified as a discontinued operation during the current financial reporting Period. Refer Note 14, Discontinued operation.

INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2025

	30 June 2025 ¹ US '000	30 June 2024 ¹ US '000
(Loss)/profit for the Period	(16 017)	5 536
<i>Other comprehensive income/(loss) that will be reclassified to the interim Consolidated Statement of Profit or Loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations, net of tax	12 693	(227)
Other comprehensive income/(loss) for the Period, net of tax	12 693	(227)
Total comprehensive (loss)/income for the Period	(3 324)	5 309
<i>Attributable to:</i>		
Equity holders of parent	(2 811)	1 898
Non-controlling interests	(513)	3 411

¹ Unaudited

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Notes	30 June 2025 ¹ US '000	31 December 2024 ² US '000
ASSETS			
Non-current assets			
Property, plant and equipment	9	276 451	269 859
Right-of-use assets	10	3 345	3 871
Intangible assets	11	-	10 118
Receivables and other assets	12	8 057	7 341
Deferred tax assets		4 067	4 313
		291 920	295 502
Current assets			
Inventories		40 167	34 064
Receivables and other assets	12	9 368	6 633
Income tax receivable		1 885	24
Cash and short-term deposits	13	6 764	12 878
		58 184	53 599

Total assets		350 104	349 101
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Issued capital	15	1 415	1 413
Treasury shares	15	(1 157)	(1 157)
Share premium		885 648	885 648
Other reserves		(246 321)	(255 334)
Accumulated losses		(499 679)	(487 990)
		139 906	142 580
Non-controlling interests		79 807	80 320
Total equity		219 713	222 900
Non-current liabilities			
Interest-bearing loans and borrowings	17	30 460	16 633
Lease liabilities	18	2 020	2 246
Provisions		11 912	12 614
Deferred tax liabilities		69 923	69 281
		114 315	100 774
Current liabilities			
Interest-bearing loans and borrowings	17	4 373	4 397
Lease liabilities	18	1 746	2 517
Trade and other payables	19	9 956	11 665
Income tax payable		1	6 848
		16 076	25 427
Total liabilities		130 391	126 201
Total equity and liabilities		350 104	349 101

¹ Unaudited

² Audited

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to the equity holders of the parent							
	Issued capital	Share premium	Treasury shares	Other reserves ¹	Accumulated (losses)/retained earnings	Total	Non-controlling interests	Total equity
	US '000	US '000	US '000	US '000	US '000	US '000	US '000	US '000
As at 1 January 2025	1 413	885 648	(1 157)	(255 334)	(487 990)	142 580	80 320	222 900
Total comprehensive income	-	-	-	8 878	(11 689)	(2 811)	(513)	(3 324)
Loss for the period	-	-	-	-	(11 689)	(11 689)	(4 328)	(16 017)
Other comprehensive income	-	-	-	8 878	-	8 878	3 815	12 693
Share capital issued (Note 15)	2	-	-	(2)	-	-	-	-
Share-based payments (Note 16)	-	-	-	137	-	137	-	137
As at 30 June 2025	1 415	885 648	(1 157)	(246 321)	(499 679)	139 906	79 807	219 713
Attributable to discontinued operation (Note 14)	-	-	-	(52 615)	52 663	48	-	48
As at 1 January 2024	1 413	885 648	(1 157)	(250 797)	(496 238)	138 869	79 255	218 124
Total comprehensive income	-	-	-	(158)	2 056	1 898	3 411	5 309
Profit for the period	-	-	-	-	2 056	2 056	3 480	5 536
Other comprehensive loss	-	-	-	(158)	-	(158)	(69)	(227)
Share-based payments (Note 16)	-	-	-	374	-	374	-	374
As at 30 June								

2024	1 413	885 648	(1 157)	(250 581)	(494 182)	141 141	82 666	223 807
Attributable to discontinued operation (Note 14)	-	-	-	(52 603)	50 418	(2 185)	-	(2 185)

¹ Other reserves relate to Foreign currency translation reserves and Share-based equity reserves.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	30 June 2025 ¹ US '000	30 June 2024 ^{1*} US '000
Cash flows (used in)/generated from operating activities		(8 091)	28 762
Cash generated by operations	20.1	14 891	39 737
Working capital adjustments	20.2	(11 766)	(12 504)
Interest received		160	209
Interest paid		(2 227)	(3 074)
Income tax paid		(9 149)	(129)
Income tax received		-	4 523
Cash flows used in investing activities		(10 176)	(13 518)
Purchase of property, plant and equipment	9	(2 173)	(1 357)
Waste stripping costs capitalised	9	(8 085)	(12 316)
Proceeds from sale of property, plant and equipment		82	155
Cash flows generated from/(used in) financing activities		11 532	(1 523)
Lease liability capital repayment	18	(941)	(1 179)
Net financial liabilities raised/(repaid)	20.3	12 473	(344)
- Financial liabilities raised		15 598	33 874
- Financial liabilities repaid		(3 125)	(34 218)
Net (decrease)/increase in cash and cash equivalents		(6 735)	13 721
Cash and cash equivalents at beginning of Period		12 878	16 503
Foreign exchange differences		621	(175)
Cash and cash equivalents at end of Period	13	6 764	30 049
Cash and cash equivalents at end of Period - continuing operation		6 673	29 971
Cash and cash equivalents at end of Period - discontinued operation	14	91	78

¹ Unaudited

* The prior year figures have been re-presented, as Gem Diamonds Botswana (Proprietary) Limited (Ghaghoo Diamond Mine) was classified as a discontinued operation during the current financial reporting Period. Refer Note 14, Discontinued operation.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. CORPORATE INFORMATION

1.1 Incorporation and authorisation

The holding company, Gem Diamonds Limited (the Company), was incorporated on 29 July 2005 in the British Virgin Islands (BVI) and is domiciled in the United Kingdom (UK). The Company's registration number is 669758.

The financial information shown in this report relating to Gem Diamonds Limited and its subsidiaries (the Group) was approved by the Board of Directors on 3 September 2025, is not audited or reviewed by the auditor and does not constitute statutory financial statements. The report of the auditor on the Group's 2024 Annual Report and Accounts was unqualified.

The Group is principally engaged in operating diamond mines.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2025 (the Period) have been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's Annual Financial Statements for the year ended 31 December 2024. The condensed consolidated interim financial statements are unaudited and do not constitute statutory accounts as defined in section 434 of the Companies Act, 2006. The financial information for the year to 31 December 2024 included in

this report was derived from the statutory accounts for the year ended 31 December 2024, a copy of which has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of an emphasis of matter and did not contain a statement under sections 498(2) or (3) of the Companies Act, 2006.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out on pages 1 to 3. The financial position of the Group, its cash flows and liquidity position are described in the Group Financial Performance on pages 5 to 8. The Group's net debt at 30 June 2025 was US 28.2 million (31 December 2024: US 7.3 million). The Group's available undrawn facilities at 30 June 2025 amounted to US 55.8 million (31 December 2024: US 69.0 million), resulting in liquidity (defined as net debt/cash and available undrawn facilities) of US 27.6 million (31 December 2024: US 61.7 million). The gross liquidity position of the Group (defined as gross cash and available undrawn facilities) as at 30 June 2025 is US 62.5 million (31 December 2024: US 81.9 million). The Group's Revolving Credit Facilities (RCF), which total US 72.2 million when fully unutilised, mature on 21 December 2026. In addition, there is a US 5.6 million general banking facility with no set expiry date, which is reviewed annually (refer Note 14, Discontinued operation).

The impact of the current diamond market conditions, the persistent geopolitical tensions, the uncertainty surrounding US tariffs and the weaker US dollar were considered in assessing future cash flows. Taking into account management's actions in response to the current operating environment, which include the various cost reduction initiatives and revision to the waste mining activities being implemented, and its impact on the forecasts, timing of cash flows and sensitivity analyses, the Directors have a reasonable expectation that the Group has adequate financial resources, with the continued access to the Group's RCFs, for the Group to be able to meet its liabilities as they fall due for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing this half-year report of the Group.

2.2 Material accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's Annual Financial Statements for the year ended 31 December 2024.

New accounting pronouncements which became effective on 1 January 2025 are detailed below and will be adopted in the 2025 Annual Report and Accounts. These amendments will have no impact on the Group's accounts.

New and amended standards and interpretations

Amendments and improvements

Description

Amendments to IAS 21	Lack of exchangeability
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Standards issued but not yet effective

The standards, amendments and improvements that are issued, but not yet effective, up to the date of issuance of the Group's consolidated interim financial statements are listed in the table below. The standards, amendments and improvements have not been early adopted and it is expected that, where applicable, these standards and amendments will be adopted on each respective effective date. The impact of the adoption of these standards cannot be reasonably assessed at this stage.

New standards, amendments, and improvements

Description

Effective date*

Amendments to IFRS 9 and IFRS 7	Classification and measurement of financial instruments	1 January 2026
IFRS 18	Presentation and disclosure in financial statements	1 January 2027

* Annual periods beginning on or after.

2.3 Critical accounting estimates and judgements

The estimates and judgements adopted in the preparation of the condensed consolidated interim financial statements are largely consistent with those followed in the preparation of the Group's Annual Financial Statements for the year ended 31 December 2024. The current diamond market, ongoing global conflicts and foreign currency movements were considered during the Period. The outcome of this review required the impairment of goodwill and certain non-current assets and the write down of consumables and stockpile balances. Refer Note 11, Intangible assets for further detail on the goodwill impairment.

Further details on estimates and judgements applied during the Period are detailed in the Going concern section on page 17, Note 11, Intangible assets and Note 16, Share-based payments.

3. SEGMENT INFORMATION

For management purposes, the Group is organised into geographical units as its risks and required rates of return are affected predominantly by differences in the geographical regions of the mines and areas in which the Group operates or areas in which operations are managed. The below measures of profit or loss, assets and liabilities are reviewed by the Board of Directors. The main geographical regions and the type of products and services from which each reporting segment derives its revenue from are:

- Lesotho (diamond mining activities);
- Belgium (sales, marketing and manufacturing of diamonds);
- BVI, RSA, UK and Cyprus (technical and administrative services); and
- Botswana (diamond mining activities), classified as a discontinued operation.

During the Period, the Ghaghoo mine, which forms part of the Botswana operating segment which had previously been placed on care and maintenance, was reclassified from continuing to a discontinued operation. This follows the relinquishment of the associated mining license and the formal handover of the mine site to the Botswana Ministry of Minerals and Energy, through the Department of Mines. As of 1 June 2025, the Department of Mines has assumed full responsibility for the mine and the Company has no further obligations or commitments related to the license or the mine.

Management monitors the operating results of the geographical units separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on operating profit or loss. Intersegment transactions are entered into under normal trade terms in a manner similar to transactions with third parties. Segment revenue segment

under normal arm's length terms in a manner similar to transactions with third parties. Segment revenue, segment expenses and segment results include transactions between segments. Those transactions are eliminated on consolidation.

Segment revenue is derived from mining activities, polished diamond manufacturing margins and diamond analysis and manufacturing services.

The following tables present revenue from contracts with customers, profit/(loss) for the Period, underlying EBITDA and asset and liability information from operations regarding the Group's geographical segments:

Six months ended 30 June 2025¹	Lesotho	Belgium	BVI, RSA, UK and Cyprus³	Total Continuing operations	Discontinued operation	Total
June 2025¹	US '000	US '000	US '000	US '000	US '000	US '000
Revenue from contracts with customers						
Total revenue	44 693	45 361	3 126	93 180	-	93 180
Intersegment	(44 393)	(292)	(3 126)	(47 811)	-	(47 811)
External customers	300	45 069	-	45 369	-	45 369
Segment operating (loss)/profit	(14 505) ⁴	(37)	(3 327)	(17 869)	1 655	(16 214)
Net finance costs	(1 627)	(22)	(510)	(2 159)	(57)	(2 216)
(Loss)/profit before tax	(16 132)	(59)	(3 837)	(20 028)	1 598	(18 430)
Income tax benefit/(charge)	1 719	100	594 ⁵	2 413	-	2 413
(Loss)/profit for the Period	(14 413)	41	(3 243)	(17 615)	1 598	(16 017)
Underlying EBITDA	339	120	(3 031)	(2 572)	-	(2 572)

	Lesotho	Belgium	BVI, RSA, UK and Cyprus³	Total Continuing operations	Discontinued operation	Total
	US '000	US '000	US '000	US '000	US '000	US '000
Segment assets						
30 June 2025 ¹	334 751	6 705	4 402	345 858	179	346 037
31 December 2024 ²	335 667	2 074	6 509	344 250	538	344 788
Net cash/(debt) and short-term deposits ⁶						
30 June 2025 ¹	(21 900)	404	(6 767)	(28 263)	91	(28 172)
31 December 2024 ²	(4 869)	692	(3 191)	(7 368)	63	(7 305)
Segment liabilities						
30 June 2025 ¹	50 265	1 415	8 657	60 337	131	60 468
31 December 2024 ²	45 129	1 311	8 000	54 440	2 480	56 920

¹ Unaudited

² Audited

³ No revenue was generated in BVI and Cyprus.

⁴ Segment operating (loss)/profit is after the impairment of goodwill of US 10.7 million.

⁵ This includes the adjustment to align the forecast effective tax rate for the full year, to the actual results for the Period. Refer Note 8, Income tax benefit/(charge).

⁶ Calculated as cash and short-term deposits less drawn down bank facilities (excluding insurance premium financing and credit underwriting fees). Refer Note 17, Interest-bearing loans and borrowings.

Included in revenue for the Period is revenue from three customers who individually contributed 10% or more to total revenue. This revenue in total amounted to US 20.4 million (30 June 2024: US 43.2 million from two customers) arising from the sales reported in the Belgium segment.

Segment assets and liabilities do not include deferred tax assets and liabilities of US 4.1 million and US 69.9 million respectively (31 December 2024: deferred tax asset US 4.3 million, deferred tax liabilities US 69.3 million).

Total revenue for the Period is lower than that of the prior period, driven by the prolonged depressed rough diamond market and the overall lower quality of production together with a decrease in both the number and quality of diamonds larger than 100 carats recovered. The dollar per carat achieved was US 1 008 compared to the prior period of US 1 366 per carat, and carats sold of 44 360 were 22% lower than the prior period of 56 994 carats.

	Lesotho	Belgium	BVI, RSA, UK and Cyprus²	Total Continuing operations	Discontinued operation	Total
Six months ended 30 June 2024¹	US '000	US '000	US '000	US '000	US '000	US '000
Revenue from contracts with customers						
Total revenue	76 877	77 737	3 382	157 996	-	157 996
Intersegment	(76 264)	(311)	(3 382)	(79 957)	-	(79 957)

External customers	613	77 426	-	78 039	-	78 039
Segment operating profit/(loss)	17 943	430	(4 418)	13 955	(522)	13 433
Net finance costs	(2 736)	(11)	(680)	(3 427)	(79)	(3 506)
Profit/(loss) before tax	15 207	419	(5 098)	10 528	(601)	9 927
Income tax expense	(3 608)	(16)	(768) ³	(4 392)	-	(4 392)
Profit/(loss) for the Period	11 599	403	(5 866)	6 136	(601)	5 535
Underlying EBITDA	22 410	544	(3 870)	19 084	-	19 084

¹ Unaudited

² No revenue was generated in BVI and Cyprus.

³ This includes the adjustment to align the forecast effective tax rate for the full year, to the actual results for the prior period. Refer Note 8, Income tax benefit/(charge).

	30 June 2025 ¹ US '000	30 June 2024 ¹ US '000
4. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Sale of goods	45 069	77 426
Partnership arrangements	300	613
	45 369	78 039

¹ Unaudited

The revenue from the sale of goods mainly represents the sale of rough diamonds, for which revenue is recognised at the point in time at which control transfers.

The revenue from partnership arrangements of US 0.3 million (30 June 2024: US 0.6 million) represents the additional uplift from partnership arrangements for which revenue is recognised when the significant constraints are lifted or resolved and the amount of revenue is guaranteed. At Period end 1 236 carats (30 June 2024: 1 881 carats) have significant constraints in recognising revenue relating to the additional uplift.

	30 June 2025 ¹ US '000	30 June 2024 ^{1*} US '000
5. OTHER OPERATING INCOME		
Other operating income is categorised separately as it relates to income which is minor or irregular and is sourced outside of normal operations.		
Sundry income	499	79
Profit on disposal and scrapping of property, plant and equipment	35	-
	534	79

¹ Unaudited

* The prior year figures have been re-presented, as Gem Diamonds Botswana (Proprietary) Limited (Ghaghoo Diamond Mine) was classified as a discontinued operation during the current financial reporting Period. Refer Note 14, Discontinued operation.

6. UNDERLYING EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND MINING ASSET AMORTISATION (UNDERLYING EBITDA) BEFORE DISCONTINUED OPERATION

Underlying EBITDA is shown, as the Directors consider this measure to be a relevant guide to the operational performance of the Group and excludes such non-operating costs and income as listed below. The reconciliation from operating profit to underlying EBITDA is as follows:

	30 June 2025 ¹ US '000	30 June 2024 ^{1*} US '000
Operating (loss)/profit ²	(17 869)	13 955
Other operating income	(534)	(79)
Impairment of goodwill	10 743	-
Foreign exchange gain	(1 128)	(1 105)
Share-based payments	137	374
Depreciation and amortisation (excluding waste stripping cost amortised)	6 079	5 939
Underlying EBITDA before discontinued operation	(2 572)	19 084

¹ Unaudited

² Operating (loss)/profit includes the write-down of consumable and stockpile inventories from continuing operations of US 1.7 million.

* The prior year figures have been re-presented, as Gem Diamonds Botswana (Proprietary) Limited (Ghaghoo Diamond Mine) was classified as a discontinued operation during the current financial reporting Period. Refer Note 14, Discontinued operation.

7. SEASONALITY OF OPERATIONS

The Group's sales environment with regard to its diamond sales is not materially impacted by seasonal and cyclical fluctuations. The mining operations may be impacted by seasonal weather conditions. Appropriate mine planning and ore stockpile build-up ensures that operations can continue during adverse weather conditions.

30 June 2025 ¹ US '000	30 June 2024 ¹ US '000
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	US '000	US '000
8. INCOME TAX BENEFIT/(CHARGE)		
Current		
- Foreign	(324)	(3 735)
Withholding tax		
- Foreign	(2)	(2)
Deferred		
- Foreign	2 739	(655)
	2 413	(4 392)

¹ Unaudited

During the Period, the Group reported a loss before tax of US 20.0 million from continuing operations, which resulted in a tax benefit of US 2.4 million.

The forecast effective tax rate for the full year is 13.1% (31 December 2024: 29.4%) and has been applied to the actual results.

The effective tax rate is below the Lesotho statutory tax rate of 25% primarily as a result of permanent differences arising on the impairment of goodwill which is not deductible for tax purposes and the impact of deferred tax assets not recognised on losses incurred in non-trading operations.

9. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group invested US 2.2 million (30 June 2024: US 1.4 million) into property, plant and equipment, all of which related to Letšeng (30 June 2024: US 1.3 million).

Letšeng's capital spend was incurred mainly on the purchase of front-loading earth moving vehicles to improve material feed into the plants and a new drill, totalling US 1.5 million.

Letšeng further invested US 8.1 million (30 June 2024: US 12.3 million) in deferred stripping costs which were capitalised. Amortisation of the deferred stripping asset (waste stripping cost amortisation) of US 13.6 million (30 June 2024: US 17.8 million) was charged to the Interim Consolidated Statement of Profit or Loss during the Period. The amortisation is directly related to the areas that were mined during the Period and their associated waste to ore strip ratios.

Depreciation and amortisation of US 5.2 million (30 June 2024: US 5.0 million) was charged to the Interim Consolidated Statement of Profit or Loss during the Period.

In addition to the above, foreign exchange movements on translation affecting property, plant and equipment increased the asset balances by US 15.3 million (30 June 2024: US 0.1 million).

	Right-of-use assets			
	Plant and equipment US '000	Motor vehicles US '000	Buildings US '000	Total US '000
10. RIGHT-OF-USE ASSETS				
As at 30 June 2025 ¹				
Cost				
Balance at 1 January 2025	3 586	537	5 800	9 923
Additions	-	47	693	740
Derecognition of lease	-	-	(4 158)	(4 158)
Foreign exchange differences	222	35	124	381
Balance at 30 June 2025 ¹	3 808	619	2 459	6 886
Accumulated depreciation				
As at 1 January 2025	1 925	169	3 958	6 052
Charge for the Period	450	108	369	927
Derecognition of lease	-	-	(3 679)	(3 679)
Foreign exchange differences	136	14	91	241
Balance at 30 June 2025 ¹	2 511	291	739	3 541
Net book value at 30 June 2025 ¹	1 297	328	1 720	3 345
As at 31 December 2024 ²				
Cost				
Balance at 1 January 2024	3 379	363	6 008	9 750
Additions	1 058	434	271	1 763
Derecognition of lease	(738)	(243)	(349)	(1 330)
Foreign exchange differences	(113)	(17)	(130)	(260)
Balance at 31 December 2024 ²	3 586	537	5 800	9 923
Accumulated depreciation				
As at 1 January 2024	1 450	103	3 451	5 004
Charge for the year	979	188	962	2 129
Derecognition of lease	(444)	(117)	(349)	(910)
Foreign exchange differences	(60)	(5)	(106)	(171)
Balance at 31 December 2024 ²	2 511	291	739	3 541

Balance at 31 December 2024 ¹	1 223	103	3 330	3 332
Net book value at 31 December 2024 ²	1 661	368	1 842	3 871

¹ Unaudited

² Audited

Plant and equipment mainly comprise of pit dewatering and back-up power generating equipment utilised at Letšeng. Motor vehicles mainly comprise vehicles utilised by contractors at Letšeng. Buildings comprise office buildings in Maseru, Antwerp, London, Gaborone and Johannesburg.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

Movements within right-of-use assets mainly relates to the cancellation of the lease for the majority of the office buildings in Maseru. The original contract was cancelled and all associated assets and liabilities were derecognised. Refer Note 18, Lease liabilities.

	Goodwill ¹ US '000
11. INTANGIBLE ASSETS	
As at 30 June 2025 ²	
Cost	
Balance at 1 January 2025	10 118
Foreign exchange translation difference	625
Balance at 30 June 2025 ²	10 743
Accumulated amortisation/impairment	
Balance at 1 January 2025	-
Amortisation	-
Impairment	(10 743)
Balance at 30 June 2025 ²	(10 743)
Net book value at 30 June 2025 ²	-
As at 31 December 2024 ³	
Cost	
Balance at 1 January 2024	10 440
Foreign exchange translation difference	(322)
Scrapping	-
Balance at 31 December 2024 ³	10 118
Accumulated amortisation	
Balance at 1 January 2024	-
Amortisation	-
Balance at 31 December 2024 ³	-
Net book value at 31 December 2024 ³	10 118

¹ Goodwill allocated to Letšeng Diamonds.

² Unaudited

³ Audited

The recoverable amount (value in use) of Letšeng was assessed at Period end and an impairment of US 10.7 million (US 7.5 million after tax and non-controlling interest) was recorded in the Interim Consolidated Statement of Profit or Loss to bring the carrying value in line with the recoverable amount. The recoverable amount substantiated the carrying value of the Property, Plant and Equipment associated to the Letšeng Cash Generating Unit and therefore the impairment was allocated solely to goodwill, which is now fully impaired. The reduction in the recoverable amount is primarily driven by lower prices than previous forecasts. Impairments of goodwill are not eligible for reversal in future periods.

Value in use inputs:

The following key inputs were used in the valuation:

- The life-of-mine production profile to 2035 as reflected in the Letšeng long-term mine plan section on page 2 has been used to project the cashflows.
- The cost savings associated with the cash flow optimisation initiatives implemented post Period end have been included in the value in use model.
- The nominal pre-tax discount rate applied to revenue was 12.1% (31 December 2024: 12.9%) and to costs was 15.7% (31 December 2024: 16.1%).
- A recovery to historical pricing in the short to medium term and thereafter, from 2028 to 2035, an average of 2.7% real growth in pricing, taking into account independent diamond analyst views of market supply/demand fundamentals.
- The Period end exchange rate of US 1:LSL17.77 (31 December 2024: US 1:LSL18.87).

30 June 2025 ¹ US '000	31 December 2024 ² US '000
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12. RECEIVABLES AND OTHER ASSETS		
Non-current		
Deposits	824	776
Insurance asset	6 201	5 596
Other receivables ³	1 032	969
	8 057	7 341
Current		
Trade receivables ⁴	5 310	592
Prepayments	2 639	1 484
Deposits	31	29
Other receivables	556	498
Vat receivable	832	4 030
	9 368	6 633
The carrying amounts above approximate their fair value due to the nature of the instruments.		
Analysis of trade receivables based on their terms and conditions		
Neither past due nor impaired	5 291	573
Past due but not impaired:		
> 120 days	19	19
	5 310	592

¹ Unaudited

² Audited

³ Other non-current receivables relates to a financing arrangement provided to a third party to assist with possible expansion opportunities.

⁴ Trade receivables include a balance of US 4.6 million relating to the sale of diamonds which concluded prior the end of the Period, with the funds clearing through the bank shortly after Period end. This sale has been included in the revenue for the Period.

Based on the nature of the Group's client base and the negligible exposure to credit risk through its client base, insurance asset and other financial assets, the expected credit loss is insignificant and has no impact on the Group.

	30 June 2025¹ US '000	31 December 2024² US '000
13. CASH AND SHORT-TERM DEPOSITS		
Cash on hand	1	3
Bank balances	4 971	6 032
Short-term bank deposits	1 792	6 843
	6 764	12 878

¹ Unaudited

² Audited

The amounts reflected in the financial statements approximate fair value due to the short-term maturity and nature of cash and short-term deposits.

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are generally call deposit accounts and earn interest at the respective short-term deposit rates.

The Group's cash surpluses are deposited with major financial institutions of high-quality credit standing predominantly within Lesotho and the United Kingdom.

At 30 June 2025, the Group had US 55.8 million (31 December 2024: US 69.0 million) of undrawn facilities, representing the LSL300.0 million (US 16.9 million) (31 December 2024: LSL450.0 million (US 23.8 million)) and ZAR200.0 million (US 11.3 million) (31 December 2024: ZAR300.0 million (US 15.9 million)) of the secured revolving credit facility at Letšeng, ZAR100.0 million (US 5.6 million) (31 December 2024: ZAR100.0 million (US 5.3 million)) of the Letšeng general banking facility, and US 22.0 million (31 December 2024: US 24.0 million) of the Company's secured revolving credit facility. For further details on these facilities, refer Note 17, Interest-bearing loans and borrowings.

The general banking facility at Letšeng is held with Nedbank Limited (acting through its Nedbank Corporate and Investment Banking division). This facility is reviewed annually. During the Period the facility was utilised from time to time based on cash flow requirements but repaid in full by Period end.

14. DISCONTINUED OPERATION

The Ghaghoo diamond mine, part of the Group's Botswana operations, was placed on care and maintenance in 2017 due to operational and market-related challenges.

Following a strategic review and several unsuccessful attempts to sell the asset, the Group initiated discussions with the Department of Mines, dating back to February 2023, to address safety and remediation activities, including the removal of the processing plant and associated civil infrastructure, with the objective of surrendering its mining license.

The mine site was formally handed over to the Botswana Ministry of Minerals and Energy through the Department of Mines during the Period. Formal confirmation of the acceptance of the mining license surrender was received from the Department of Mines on 28 April 2025. Effective 1 June 2025, the Department of Mines assumed full responsibility for the site, and the Company no longer holds any obligations or commitments related to the mine or its associated license.

In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the subsidiary was

classified as a discontinued operation which was abandoned, following the relinquishment (for no consideration) of the underlying mining license which represented the subsidiary's principal business activity.

The results of Gem Diamonds Botswana (Ghaghoo diamond mine), the discontinued operation, for the Period prior to abandonment and the comparative period are presented below:

	30 June 2025¹ US '000	30 June 2024 ¹ US '000
Revenue	279	-
Care and maintenance costs	(735)	(676)
Profit on sale of property, plant and equipment	47	155
Rehabilitation provision released	2 291	-
Foreign exchange differences	(5)	(1)
Impairment of asset	(222)	-
Operating profit/(loss)	1 655	(522)
Net finance costs	(57)	(79)
Profit/(loss) before tax from discontinued operation	1 598	(601)
Income tax expense	-	-
Profit/(loss) after tax from discontinued operation attributable to equity holders of the parent	1 598	(601)
Profit/(loss) per share from discontinued operation (US cents):		
- Basic	1.14	(0.43)
- Diluted	1.10	(0.42)

¹ Unaudited

The Interim Consolidated Statement of Financial position includes the below balances relating to Gem Diamonds Botswana:

	30 June 2025¹ US '000	31 December 2024 ² US '000
ASSETS		
Non-current assets		
Property, plant and equipment	-	243
Right of use assets	3	6
	3	249
Current assets		
Inventories	77	211
Receivables and other assets	8	15
Cash and short-term deposits	91	63
	176	289
Total assets	179	538
LIABILITIES		
Non-current liabilities		
Provisions	-	2 197
	-	2 197
Current liabilities		
Lease liabilities	3	7
Trade and other payables	128	276
	131	283
Total liabilities	131	2 480
The net cash flows attributable to the discontinued operation are as follows:		
Operating	(441)	(690)
Investing	46	155
Financing ³	338	611
Foreign exchange differences	(6)	-
Net cash (outflow)/inflow	(63)	76

¹ Unaudited

² Audited

³ Financing provided by Gem Diamonds Botswana (Proprietary) Limited's holding company, being Gem Diamonds Limited, to fund care and maintenance costs.

15. ISSUED CAPITAL

Share capital

	30 June 2025 ¹		31 December 2024 ²	
	Number of shares '000	US '000	Number of shares '000	US '000
Authorised - ordinary shares of US 0.01 each				
As at Period/Year end	200 000	2 000	200 000	2 000
Issued and fully paid balance at beginning of Period/Year	141 236	1 413	141 210	1 413
Allotments during the Period/Year	181	2	26	-
Number of ordinary shares outstanding at end of Period/Year	141 417	1 415	141 236	1 413

¹ Unaudited

² Audited

Treasury Shares

	30 June 2025 ¹		31 December 2024 ²	
	Number of shares '000	US '000	Number of shares '000	US '000
Number of treasury shares outstanding at end of Period/Year ³	(1 520)	(1 157)	(1 520)	(1 157)

¹ Unaudited

² Audited

³ Represents share repurchased by Gem Diamonds.

16. SHARE-BASED PAYMENTS

Employee Share Option Plan 2017 Award (ESOP) - 10 April 2025 award

On 10 April 2025, 375 970 nil-cost options were granted to certain key employees under the ESOP of the Company. The value of the award was determined based on the Group performance for the prior 2024 financial year. The vesting of the options will be subject to the satisfaction of certain service conditions which are classified as non-market conditions. The award is subject to malus and clawback conditions in line with the Group's ESOP.

In addition, 2 226 929 nil-cost options were granted to certain Executive employees and the Executive Directors on the same terms as detailed above. These options were granted in line with the adopted Gem Diamonds Incentive Plan (GDIP) in 2021, which integrated annual bonus awards with awards under the ESOP. These options are also subject to a two-year holding period after the vesting date.

All the options vest over a three-year period in tranches of 1/3 commencing on 10 April 2026 and ending on 10 April 2028. The options are exercisable between the respective vesting dates and 10 April 2035. If the service conditions are not met, unvested options lapse. The fair value of the award is based on the observable Gem Diamonds Limited share price on the date of the award with no adjustments made to the price. The Company's share price on the date of the award was £0.08 (US 0.10). The option grants are settled by issuing shares.

The expense disclosed in the Interim Consolidated Statement of Profit or Loss is made up as follows:

	30 June 2025 ¹ US '000	30 June 2024 ¹ US '000
The expense recognised for employee services received during the Period is shown in the following table:		
Equity-settled share-based payment transactions charged to the statement of profit or loss	137	374

¹ Unaudited

17. INTEREST-BEARING LOANS AND BORROWINGS

The carrying amounts and maturities of the revolving credit facilities, project debt facilities and premium financing facilities within the Group are disclosed in the note below.

	Effective interest rate	Maturity	30 June 2025 ¹ US '000	31 December 2024 ² US '000
Non-current				
LSL450.0 million (US 25.3 million) & ZAR300.0 million (US 16.9 million) loan facility	Central Bank of Lesotho rate (7.25%) + 3.25% and South African JIBAR (7.56%) + 3.00%		14 064	-
Credit underwriting fees		21 December 2026	(58)	(78)
Term SOFR				

US 30.0 million bank loan facility	(4.30%) + 5.21%	21 December 2026	8 000	6 000
Credit underwriting fees			(45)	(60)
ZAR132.0 million (US 7.4 million) project debt facility	South African JIBAR (7.56%) + 2.50%	31 May 2027	2 122	2 999
LSL200.0 million (US 11.3 million) term loan facility	Lesotho prime rate (11.25%) minus 1.50%	30 April 2029	6 377	7 772
Current			30 460	16 633
ZAR132.0 million (US 7.4 million) project debt facility	South African JIBAR (7.56%) + 2.50%	31 May 2027	2 122	1 999
LSL200.0 million (US 11.3 million) term loan facility	Lesotho prime rate (11.25%) minus 1.50%	30 April 2029	2 251	1 413
ZAR0.9 million (US 51 thousand) insurance premium finance	4.20 %	1 April 2025	-	20
LSL30.0 million (US 1.7 million) insurance premium finance	4.20 %	1 April 2025	-	650
LSL14.6 million (US 0.8 million) insurance premium finance	4.20 %	1 April 2025	-	315
			4 373	4 397

¹ Unaudited

² Audited

LSL450.0 million and ZAR300.0 million (US 42.2 million) secured bank loan facility at Letšeng Diamonds

The Group, through its subsidiary Letšeng Diamonds, has a LSL450.0 million (US 25.3 million) and ZAR300.0 million (US 16.9 million) revolving credit facility (maturing on 21 December 2026) jointly with Nedbank Lesotho Limited, Standard Lesotho Bank Limited, First National Bank of Lesotho Limited, Firststrand Bank Limited (acting through its Rand Merchant Bank division) and Nedbank Limited (acting through its Nedbank Corporate and Investment Banking division).

The LSL450.0 million facility is subject to interest at the Central Bank of Lesotho rate plus 3.25% and the ZAR300.0 million facility is subject to South African JIBAR plus 3.00% (31 December 2024: South African JIBAR plus 3.00%). At Period end LSL150.0 million (US 8.4 million) and ZAR100.0 million (US 5.6 million) respectively had been drawn down resulting in LSL300.0 million (US 16.9 million) and ZAR200.0 million (US 11.3 million) remaining available.

The remaining balance of the credit underwriting fees capitalised is US 64.0 thousand (31 December 2024: US 79.0 thousand). The capitalised fees are amortised and accounted for as finance costs in profit or loss over the term of the facility.

US 30.0 million secured bank loan facility at Gem Diamonds Limited

This facility is a secured revolving credit facility jointly with Nedbank Limited (acting through its London branch), Standard Bank of South Africa Limited (acting through its Isle of Man branch) and Firststrand Bank Limited (acting through its Rand Merchant Bank division) for US 13.5 million, US 9.0 million and US 7.5 million, respectively. All draw downs are made in these ratios.

At Period end, US 8.0 million (31 December 2024: US 6.0 million) had been drawn down resulting in US 22.0 million (31 December 2024: US 24.0 million) being available. The remaining balance of the previously capitalised credit underwriting fees is US 45.0 thousand (31 December 2024: US 60.0 thousand) at Period end. The capitalised fees are amortised and accounted for as finance costs in profit or loss over the period of the facility.

The US -based interest rate for this facility at 30 June 2025 was 9.51% (31 December 2024: 9.54%) which comprises term SOFR plus a 0.21% credit adjustment spread and 5.00% margin.

Total interest for the Period on this interest-bearing RCF was US 0.6 million (31 December 2024: US 1.3 million).

The facility includes an additional US 20.0 million accordion option for Gem Diamonds, the utilisation of which is subject to all necessary credit and other approvals from the lenders. There was no utilisation of this facility in the current or prior period.

ZAR132.0 million (US 7.4 million) unsecured project debt facility at Letšeng Diamonds

This loan is an unsecured project debt facility with Nedbank and underwritten by the Export Credit Insurance Corporation (ECIC) which was entered into on 29 November 2022 to fund the replacement of the primary crushing area (PCA) at Letšeng. The loan is repayable in equal quarterly payments which commenced in March 2024. The outstanding balance at Period end was ZAR75.4 million (US 4.3 million) (31 December 2024: ZAR94.3 million (US 5.0 million)). This loan expires on 27 May 2027.

The South African rand-based interest rate for the facility at 30 June 2025 was 10.06% which comprises South Africa JIBAR plus 2.50%.

Total interest for the Period on this interest-bearing loan was US 0.2 million (31 December 2024: US 0.7 million).

LSL200.0 million (US 11.3 million) secured term loan facility at Letšeng Diamonds

This loan is a five-year secured term loan facility signed jointly with Standard Lesotho Bank and Nedbank Lesotho on 15 May 2024. The loan is secured by a special notarial bond over the fleet and equipment acquired as part of the insourcing of the mining activities at the end of 2023.

The loan is repayable in equal monthly instalments which commenced in May 2024. The outstanding balance at the end of the Period was LSL153.3 million (US 8.6 million). This loan expires on 30 April 2029.

The interest rate on the loan is 9.75%, representing the Central Bank of Lesotho prime rate minus 1.50%.

Total interest for the Period on this interest-bearing loan was US 0.4 million (31 December 2024: US 0.6 million).

Loan covenants

The Group's revolving credit facilities, Letšeng Diamonds' ZAR132.0 million (US 7.4 million) project debt facility and LSL200.0 million (US 11.3 million) secured term loan facility are subject to certain financial covenants and these are assessed at the end of each quarter. The loans may become immediately repayable if these covenants are breached. The Group monitors its forecasts for covenant compliance and engages with its Lenders regularly.

Insurance premium finance for Multi-Aggregate and Asset All Risk Insurance policies

During the Period, all outstanding insurance premium finance balances were fully repaid. The total interest paid during the Period relating to these liabilities was US 19.0 thousand (31 December 2024: US 0.1 million).

	30 June 2025 ¹ US '000	31 December 2024 ² US '000
18. LEASE LIABILITIES		
Non-current	2 020	2 246
Current	1 746	2 517
Total lease liabilities	3 766	4 763
Reconciliation of movement in lease liabilities		
As at 1 January	4 763	5 950
Additions	558	1 935
Interest expense	175	372
Lease payments	(1 127)	(3 062)
Derecognition of lease	(779)	(318)
Foreign exchange differences	176	(114)
As at 30 June/31 December	3 766	4 763

¹ Unaudited

² Audited

Lease payments comprise principal payments of US 0.9 million (31 December 2024: US 2.7 million) and repayments of interest of US 0.2 million (31 December 2024: US 0.4 million).

Refer Note 10, Right-of-use assets for details on new leases entered into and leases derecognised during the Period.

	30 June 2025 ¹ US '000	31 December 2024 ² US '000
19. TRADE AND OTHER PAYABLES		
Current		
Trade payables ³	5 316	3 862
Accrued expenses ³	2 388	4 864
Leave benefits	844	687
Royalties ³	1 266	2 000
Withholding taxes ³	51	76
Other	91	176
	9 956	11 665

¹ Unaudited

² Audited

³ These amounts are non-interest bearing and are settled in accordance with terms agreed between the parties.

Royalties consist of a levy payable to the Government of the Kingdom of Lesotho on the value of rough diamonds sold by Letseng. Withholding taxes mainly consist of taxes payable to the Revenue Services Lesotho relating to dividends and other services. The carrying amounts above approximate fair value.

	Notes	30 June 2025 ¹ US '000	30 June 2024 ^{1*} US '000
20. CASH FLOW NOTES			
20.1 Cash generated by operations			
(Loss)/profit before tax for the Period - continuing operations		(20 028)	10 529
Profit/(loss) before tax for the Period - discontinued operation		1 598	(601)
Adjustments for:			
Depreciation and amortisation excluding waste stripping	9	5 180	4 978
Depreciation on right-of-use assets	10	927	1 007
Waste stripping cost amortised	9	13 567	17 835
Finance income		(528)	(417)
Finance costs		2 744	3 923
Unrealised foreign exchange differences		788	587
Profit on disposal and scrapping of property, plant and equipment		(82)	(155)
Gain on derecognition of leases		(492)	-

Sum of derecognition of leases		
Inventory write-down		1 753
Rehabilitation provision released - Ghaghoo	14	(2 291)
Bonus, leave and severance provisions raised		653
Share-based payments	16	137
Impairment of assets		10 965
		14 891
20.2 Working capital adjustment		
(Increase)/decrease in inventory		(7 014)
Increase in receivables		(2 786)
Decrease in payables		(1 966)
		(11 766)
20.3 Cash flows from financing activities (excluding lease liabilities)		
Balance at beginning of Period		21 030
Net cash generated from/(used in) financing activities		12 473
- Financial liabilities raised		15 598
- Financial liabilities repaid		(3 125)
Interest paid		(2 052)
Non-cash movements		3 383
- Interest accrued		2 052
- Amortisation of credit underwriting fees		35
- Foreign exchange differences		1 296
Balance at Period end		34 834

¹ Unaudited

* The prior year figures have been re-presented, as Gem Diamonds Botswana (Proprietary) Limited (Ghaghoo Diamond Mine) was classified as a discontinued operation during the current financial reporting Period. Refer Note 14, Discontinued operation.

21. COMMITMENTS AND CONTINGENCIES

The Board has approved capital projects of US 3.1 million (31 December 2024: US 3.5 million) at Letšeng, mainly relating to the purchase of a front-end loader, a mobile rotary trommel screen and continued investment in residue storage expansion.

Of the total approved capital projects, US 1.8 million has been contracted at 30 June 2025, relating to the above-mentioned items of mining and processing equipment.

The Group has conducted its operations in the ordinary course of business in accordance with its understanding and interpretation of commercial arrangements and applicable legislation in the countries where the Group has operations. In certain specific transactions, however, the relevant third party or authorities could have a different interpretation of those laws and regulations that could lead to contingencies or additional liabilities for the Group. Having consulted professional advisers, the Group has identified possible disputes approximating US 0.7 million (31 December 2024: US 0.6 million).

The Group monitors possible tax claims within the various jurisdictions in which it operates. It is noted that tax legislation is highly complex and subject to interpretation of the application of the law. It is common for tax authorities to review tax returns, and in some instances, disputes may arise over the interpretation and application of the prevailing tax legislation. Due to the complexity of the legislation, significant judgement is required to determine any effects of uncertainties in accounting for and disclosure of income taxes. When uncertain tax positions have been determined as being probable, they have been provided for and disclosed. There have been no uncertain tax positions that arose during the Period and therefore there has been no change in judgement applied and the accounting treatment compared to that disclosed in the 2024 Annual Report and Accounts. While it is difficult to predict the ultimate outcome in some cases, the Group, does not anticipate that there will be any material impact on the Group's results, financial position or liquidity.

22. RELATED PARTIES

Related party

Jemax Management (Proprietary) Limited
Government of the Kingdom of Lesotho

Relationship

Common director
Non-controlling interest

	30 June 2025 ¹ US '000	30 June 2024 ¹ US '000
Compensation to key management personnel (including Directors)		
Share-based equity transactions	130	342
Short-term employee benefits	2 590	1 497
Post-employment benefits (including severance pay and pension)	180	148
	2 900	1 987
Fees paid to related parties		
Jemax Management (Proprietary) Limited	(37)	(37)
Royalties paid to related parties		

Government of the Kingdom of Lesotho	(4 455)	(7 440)
Purchases from related parties		
Jemax Management (Proprietary) Limited	(2)	(2)
Amount included in trade payables owing to related parties		
Jemax Management (Proprietary) Limited	(7)	(7)
Amounts owing to related party		
Government of the Kingdom of Lesotho	(1 317)	(1 902)

¹ Unaudited

Jemax Management (Proprietary) Limited provided administrative services with regards to the mining activities undertaken by the Group. A controlling interest is held by an Executive Director of the Company.

The above transactions were made on terms agreed between the parties. The amounts included in trade payables are non-interest bearing and have no repayment terms.

23. EVENTS AFTER THE REPORTING PERIOD

No events have occurred between the end of the reporting period and the date of approval of these financial statements that require adjustment to, or disclosure in, the financial statements.

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