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Gem Resources Plc

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

Adoption of Cryptocurrency and Digital Asset Treasury Policy

Gem Resources Plc (LSE: GEMR), the emerald mining and development company with operations in South Africa and Australia, is pleased to announce that its board of directors (the "Board") has formally approved and adopted a **Cryptocurrency and Digital Asset Treasury Policy** (the "Policy"), supported by an updated Financial Position and Prospects Procedures Board Memorandum ("FPPP") and a new Company Standard Operating Procedure ("SOP").

The Policy establishes a clear framework for the acquisition, holding, and management of cryptocurrencies within GEMR's treasury and commercial operations. It reflects the Company's commitment to disciplined governance, regulatory compliance, and transparent reporting, while positioning GEMR to benefit from the growing adoption of digital assets in global commerce. For the avoidance of doubt, the Policy does not change the Company's strategic focus on emerald mining and development and does not involve any admission of cryptoassets to trading venues or public offers of cryptoassets by the Company.

Key Features of the Policy

- Strategic rationale** - Cryptocurrencies, led by Bitcoin, will be used both as a store of value and inflation hedge, and as a practical commercial utility. GEMR will now be able to **accept payment for emerald sales in Bitcoin and other Board-approved cryptocurrencies**, facilitating trade and offtake with a broader range of international partners. Any acceptance of cryptoassets as consideration will be converted into fiat or retained in accordance with Board approved risk limits and capital preservation thresholds, and will comply with applicable Anti-Money Laundering and Counter-Terrorism Financing ("AML"; "CTF") and sanctions requirements.
- Risk management** - The Company acknowledges that cryptocurrency investments are subject to significant volatility and regulatory uncertainty. The Policy includes comprehensive risk management procedures, including position limits, regular mark-to-market valuations, and stress testing scenarios.

- **Allocation approach** - Initial approved assets include Bitcoin, Ethereum and Solana. Unless otherwise resolved by the Board, at least 50% of GEMR's cryptocurrency holdings will be maintained in Bitcoin, with the balance allocated at the Board's discretion to other approved cryptocurrencies in line with market conditions and in accordance with the Policy. The Company will always retain sufficient working capital in fiat currencies (principally GBP and USD) to cover operational, payroll, and listing obligations, ensuring that cryptocurrency holdings are in addition to, rather than a substitute for, essential liquidity.
- **Hong Kong hub for crypto operations** - Gem Resources Limited ("GEMR HK"), a wholly-owned Kong Kong incorporated subsidiary of the Company, will serve as the designated operational hub for the Group's cryptocurrency activities, including maintaining a Hong Kong bank account, managing operational cryptocurrency wallets, receiving emerald sales proceeds in Bitcoin or other approved cryptocurrencies, executing cryptocurrency transactions, and ensuring compliance with applicable Hong Kong financial services regulations in relation to cryptocurrencies and the Policy.
- **Custody & security** - the Company will implement a "cold-storage-first" custody utilising multi-signature authorisation, whitelisted wallets (pre-approved wallet addresses) and regulated custodial partners. Operational wallets will be used for day-to-day receipts and working balances, with periodic movements of excess holdings to long-term cold storage (offline storage systems). Safeguarding arrangements will align to UK regulatory expectations for cryptoasset custody, including segregation, reconciliation and resilient access controls.
- **Governance & approvals** - All cryptocurrency transfers and transactions require dual authorisation from designated personnel, with quarterly Board review and audit committee oversight of all cryptocurrency activities. Monthly reconciliation and consolidated reporting will be provided to the Board and a designated senior manager of the Company, appropriately qualified in digital asset management, will be responsible for Policy oversight and internal control effectiveness. Material deviations from the Policy require prior Board approval.
- **Compliance & reporting** - The Policy aligns with UK MAR, Financial Conduct Authority ("FCA") requirements, and international AML, CTF and Know Your Customer ("KYC") requirements. Cryptocurrency holdings will be classified and accounted for as intangible assets under International Accounting Standard 38 "Intangible Assets" at cost less any accumulated impairment losses. . Detailed disclosures regarding cryptocurrency holdings, accounting policies, risk exposures, and fair value information will be provided in the Company's financial statements in due course, in accordance with International Financial Reporting Standards ("IFRS") 7 "Financial Instruments: Disclosures" and IFRS 13 "Fair Value Measurement".
- **Implementation** - the Company has implemented comprehensive operational procedures to support the Policy:
 - o a **Crypto Treasury SOP** has been adopted covering wallet management, commercial receipts, execution, reconciliation, controls, and incident response;
 - o the FPPP has been updated to integrate GEMR HK operations, dual-authorisation requirements and cryptocurrency reporting protocols; and
 - o the Company has updated its risk management framework - the SOP includes incident escalation procedures, cyber response and business continuity plans to address operational risks.

Additional information

- **No change of business** - The adoption of the Policy is a treasury and operational measure and does not change the nature of the Group's principal activities. The Board has assessed that the Policy does not constitute a fundamental change of business or a reverse takeover under UK Listing Rule ("UKLR") 22.3, as cryptocurrency activities remain ancillary to core operations and below relevant size thresholds. If the Company were to contemplate any transaction involving cryptoassets that, when aggregated with other transactions, may amount to a reverse takeover, the Company would make the requisite announcements and, where required, seek shareholder approval in accordance with the UKLRs.

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

"My vision is to lead GEMR into new frontiers of value creation, and this Cryptocurrency Treasury Policy is a central pillar of that strategy. Through this framework, we gain optionality in how we deploy capital, broaden our settlement

universe, and strengthen resilience in volatile macro environments. Importantly, sufficient working capital will always remain in place to meet operational, payroll, and listing obligations, ensuring that our day-to-day activities are fully supported. The ability to receive emerald sales proceeds in Bitcoin or other approved digital assets not only aligns GEMR with evolving market preferences, but also enhances our global reach and capital efficiency. By combining robust governance and conservative capital management with this forward-looking approach, GEMR is ensuring that digital assets contribute responsibly to both operational efficiency and long-term shareholder value."

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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.

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This Announcement does not constitute investment advice regarding cryptocurrencies or digital assets. Cryptocurrency investments are highly volatile and speculative, and may result in total loss of capital. The Company's cryptocurrency policy is subject to regulatory developments in the UK and internationally, which may materially affect the implementation or continuation of cryptocurrency activities. Prospective investors should seek independent professional advice before making any investment decisions.

This Announcement may include forward-looking statements, which are based on current expectations and projections about future events, including about the Group's operations, strategy, financial performance and the future prospects of its operations. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target", "believe", "expect", "aim", "intend", "may", "anticipate", "estimate", "plan", "project", "will", "can have", "likely", "should", "would", "could" and any other words and terms of similar meaning or the negative thereof.

Forward-looking statements are based on current expectations and are subject to various risks and uncertainties that could cause actual outcomes to differ materially. These risks include, but are not limited to: cryptocurrency market volatility and liquidity risks; regulatory changes affecting digital asset operations; cybersecurity threats and operational risks associated with cryptocurrency custody and transactions; technological developments that may affect cryptocurrency values or utility; counterparty risks with cryptocurrency exchanges and custodial partners; accounting treatment changes for digital assets; and broader economic conditions. No representation or warranty is made or will be made that any forward-looking statement will come to pass, and no assurance can be given that any forward-looking statement will prove accurate. Except as required by law, the Company undertakes no obligation to revise or update any forward-looking statement. The forward-looking statements in this Announcement speak only as at the date of this Announcement.

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