GEMR XLON Gem Resources PLC

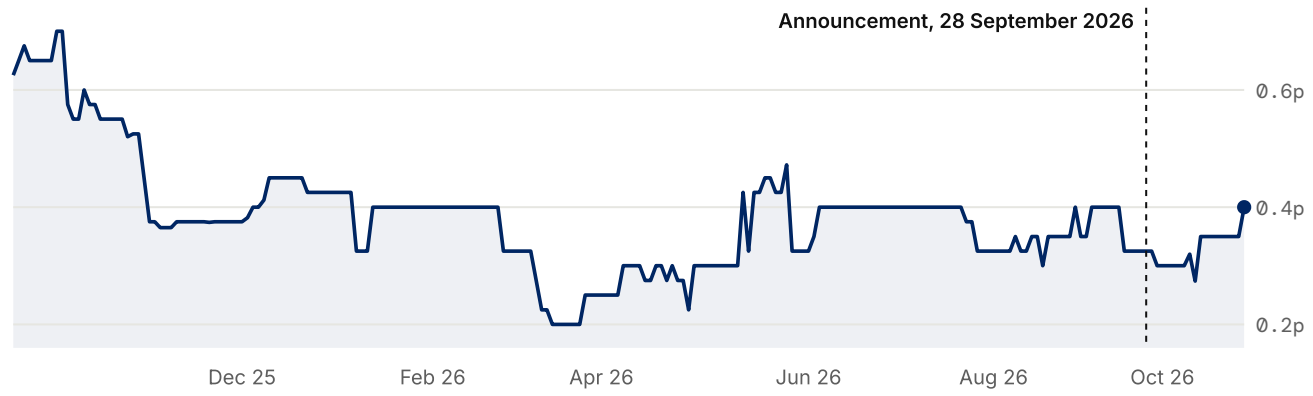
Half-year Financial Report · RNS 4235W · 28 September 2026

H1 loss widens as cash falls and gemstone mining pauses

Share price	0.3p
Market cap	£3.66m
52-week range	0.15p - 0.7p
Shares in issue	1203.0m
12-month change	-36.0%

Ticker Data API, as at 29 Oct 2026, 14:16

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SUMMARY

Today's half-year report from Gem Resources showed a widening pre-tax loss and a sharp drop in cash reserves. For the six months to 30 June 2026, the pre-revenue exploration group recorded a £614,000 loss, driven by operating expenses, finance costs, and a £70,000 paper loss on its new Bitcoin treasury. The cash balance fell to £669,000 from £1.613 million at the end of 2025. To preserve capital, management has scaled back the Gravelotte emerald mine and conditionally agreed to acquire an operating gold processing business in Colombia. However, the committee notes the stock's severe liquidity constraints and requires hard evidence of a funded cash runway to support the investment case.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
Loss before taxation	£614,000	Six months ended 30 June 2026	Widened from a restated £304,000 loss
Cash and cash equivalents	£669,000	At 30 June 2026	Down from £1.613 million
Net assets	£36,000	At 30 June 2026	Down from £634,000
Change in fair value of digital assets	-£70,000	Six months ended 30 June 2026	N/A

Sources: Half-year Financial Report, 28 Sep 2026

THE ANNOUNCEMENT

- The pre-tax loss for the six months to 30 June 2026 widened to £614,000, primarily due to higher finance costs and a £70,000 paper loss on Bitcoin holdings.
- Cash and cash equivalents fell to £669,000, down from £1.613 million at the end of December 2025.
- Operations at the Gravelotte emerald mine have been scaled down to preserve capital, and the board is in advanced discussions for a potential sale.
- After the period end, the group converted £1.79 million of liabilities into equity and conditionally agreed to acquire the El Yarumo gold processing business in Colombia for £750,000 in shares.

AGAINST GUIDANCE

The scale-down of operations at Gravelotte contrasts with management's previous guidance in April 2026, which cited strong operational momentum and a priority to scale up production at the mine.

BULL CASE

- A July debt-for-equity swap cleared approximately £1.79 million of liabilities, significantly reducing the debt overhang and cleaning up the balance sheet.
- The proposed £750,000 all-share acquisition of the El Yarumo gold processing plant could pivot the company toward near-term revenue and operational cash flow.
- The company retains significant optionality across a diversified critical minerals portfolio and a Bitcoin treasury that has rebounded since the reporting date.

BEAR CASE

- July's major debt conversion generated no fresh cash and roughly doubled the share count, heavily diluting minority investors.
- Spending approximately US$635,000 on Bitcoin while the core mining operations generate zero revenue demonstrates a questionable allocation of scarce capital.
- Extremely low daily trading volume and a single shareholder controlling over 70% of the voting rights create severe liquidity and governance risks.

WHAT TO WATCH

- A credible, fully funded cash-flow forecast covering at least the next 12 months of operations.
- Transparent completion terms for the El Yarumo acquisition and evidence of subsequent cash receipts.
- Price action around the 0.30p level, which has acted as support and matches the July conversion price for the new shares.

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