

23 July 2025

## GEM DIAMONDS LIMITED

### H1 2025 Trading Update

Gem Diamonds Limited (LSE: GEMD) (“**Gem Diamonds**” or the “**Company**” or the “**Group**”) provides the following trading update detailing the Group's operational and sales performance from 1 January 2025 to 30 June 2025 (“**H1 2025**” or the “**Period**”). The Company also announces necessary operational changes and cost management measures being implemented in response to continued challenging market conditions and revises its 2025 guidance.

#### 1. H1 2025 Trading update

##### Highlights:

- The highest price achieved in the Period 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 aggregate revenue of US\$9.3 million in the Period.
- Four greater than 100 carat diamonds were recovered during the Period, of which three were sold.
- Post period end, a 250 carat Type II white diamond was recovered, however the quality is such that it is expected to yield a relatively low polished outcome.
- Following the Company’s application to relinquish the Ghaghoo mining license, the license was officially cancelled, and the mine site was formally handed back to the Government of Botswana during the Period.

Details of the Group’s operational and sales performance from 1 January 2025 to 30 June 2025 (“**H1 2025**” or the “**Period**”) is detailed below.

	H1 2025	H1 2024	% Change
Waste tonnes stripped	1 698 817	3 163 476	-46%
Ore tonnes treated	2 504 001	2 542 114	-1%
Satellite pipe contribution (tonnes)	802 135	1 110 647	-28%
Carats recovered	47 125	55 873	-16%

Grade recovered (cpht)	1.88	2.20	-14%
Carats sold	44 360	56 944	-22%
Total value (US\$ millions)	44.7	77.9	-43%
US\$/carat	1 008	1 366	-26%

## 2. Operational and Cost Management Measures in Response to Market Conditions

Considering the prolonged weakness in global diamond prices, compounded by a weak US dollar and ongoing US tariff uncertainties, Gem Diamonds has implemented decisive measures to conserve cash and protect shareholder value. While the Company has met its production targets, it has not been immune to the sustained pressure on rough diamond prices and adverse exchange rate movements.

The Company has comprehensively reviewed its short term mine plan and cost base to reduce costs by between US\$1.4 million and US\$1.6 million per month. Key short-term cashflow optimisation measures implemented include:

- **Mining activities:** The mine will continue to operate both plants at existing treatment volumes (c.5.0 million tonnes per annum). An additional 0.5 million tonnes of high value Satellite pipe material have been made accessible to mine and process during H2 2025. Waste mining volumes in both the Main and Satellite pits have been reduced to a minimum for an initial 12-month period without compromising the longer-term life of mine plan.
- **Workforce Rationalisation:** The Company regrets that a reduction in workforce of approximately 250 employees (representing c.20% of the current workforce) may be necessary to align with the scaled-back waste mining operations and other necessary operational changes. Engagement with employees and relevant stakeholders has commenced and is ongoing to ensure that the rationalisation process is managed responsibly and transparently.
- **Reduction in corporate costs:** Further actions are being taken to reduce cash outflow at the corporate office, including temporary salary reductions for Board, Executives and management personnel. The Company is considering awarding shares in lieu of salary to partially compensate the Executives and management personnel for the reduction in cash remuneration and to further align the interests of key management with shareholders.

Gem Diamonds remains committed to its long-term strategy of producing exceptional quality diamonds and is confident that the measures being implemented will position the Company for a strong recovery when market conditions improve. The Company will continue to monitor market developments closely and provide further updates as appropriate.

### 3. 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 Company has no further obligations or commitments related to the license or the mine.

### 4. 2025 Revised Guidance

In light of the above, the Company is revising its 2025 guidance.

	<b>FY 2025 Revised Guidance</b>	<b>FY 2025 Original Guidance</b>
Waste tonnes mined (Mt)	1.8 – 2.0	5.0 – 5.5
Ore treated (Mt)	4.9 – 5.1	4.9 – 5.1
Satellite pipe ore treated (Mt)	1.2 – 1.4	0.8 – 1.0
Carats recovered (Kct)	87 – 90	87 – 90
Carats sold (Kct)	84 – 87	86 - 89
Direct cash costs (before waste) per tonne treated (Maloti)	225 - 240	245 - 260
Operating costs per tonne treated <sup>1</sup> (Maloti)	295 - 310	345 - 360
Mining waste cash costs per tonne of waste mined (Maloti)	60 - 70	60 - 70
Total capex (US\$ million)	4.0 – 5.0	4.0 – 6.0

<sup>1</sup> Operating costs per tonne treated excludes royalty, selling costs, depreciation and mine amortisation, but includes inventory, waste and ore stockpile adjustments.

**FOR FURTHER INFORMATION:**

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This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

The Gem Diamonds Limited LEI number is 213800RC2PGGMZQG8L67.

**ABOUT GEM DIAMONDS:**

Gem Diamonds is a leading global 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.  
[www.gemdiamonds.com](http://www.gemdiamonds.com)