

Gemfields plc

(“Gemfields” or the “Company”)

Results - Singapore Rough Emerald and Beryl Auction

6 November 2012

Gemfields plc (AIM: GEM) is pleased to announce the results of its auction of predominantly higher quality rough emerald and beryl held in Singapore from 29 October to 2 November 2012.

Highlights

- Robust auction revenues of USD 26.8 million – the second highest auction revenues achieved to date;
- Pleasing increase in achieved quality-for-quality per carat prices;
- The auction saw 0.925 million carats of emerald and beryl mined by Gemfields placed on offer, with 97% (0.902 million carats) being sold;
- Solid overall demand continues for Gemfields ethical Zambian emeralds across all major consumer markets; and
- Eleven auctions held since July 2009 have generated USD 160.5 million in total revenue.

Thirty seven companies attended the auction, with thirty five of these placing bids. The auction saw 0.925 million carats of emerald and beryl mined by Gemfields from its Kagem Mine in Zambia placed on offer, with 0.902 million carats sold, generating auction revenues of USD 26.8 million. While this auction was the Company’s first for the current financial year (which ends on 30 June 2013), the Company’s eleven auctions held since July 2009 have generated USD 160.5 million in aggregate revenues.

The Singapore auction yielded an overall average of USD 29.71 per carat for the lots sold, slightly lower than that which was achieved at the previous higher quality emerald auction held in March 2012 in Singapore (which achieved an overall average of USD 38.25 per carat for the lots sold). However, as the overall quality characteristics (product mix) of the gems placed on offer at this auction were somewhat different to those placed on offer at the earlier auction, the results reflect a pleasing increase in per carat prices when looking at the underlying lots on a quality-for-quality basis and the historic prices achieved for goods of a similar nature.

Given the Company’s belief in the long term fundamentals of the emerald market and its strong cash position, Gemfields does not sell lots where the bids do not meet its pre-determined minimum reserve prices. The Company maintained this strategy at the auction resulting in three lots being unsold.

The results of the six higher quality auctions held to date are summarised below:

AUCTION RESULTS (HIGHER QUALITY)	JUL '09 AUCTION	NOV '09 AUCTION	JUL '10 AUCTION	DEC '10 AUCTION	JUL '11 AUCTION	MAR '12 AUCTION	NOV '12 AUCTION
Dates	20-24 Jul '09	23-27 Nov '09	19-23 Jul '10	6-10 Dec '10	11-15 Jul '11	19-23 Mar '12	29 Oct - 2 Nov '12
Location	London, UK	Johannesburg, SA	London, UK	Johannesburg, SA	Singapore	Singapore	Singapore
Type	Higher Quality	Higher Quality	Higher Quality	Higher Quality	Higher Quality	Higher Quality	Higher Quality
Carats offered	1.36 million	1.12 million	0.85 million	0.87 million	1.07 million	0.77 million	0.93 million
Carats Sold	1.36 million	1.09 million	0.80 million	0.75 million	0.74 million	0.69 million	0.90 million
No. of companies placing bids	23	19	37	32	38	29	35
Average no. of bids per lot	10	13	18	16	16	11	11
No. of lots offered	27	19	27	19	25	23	19
No. of lots sold	26	14	24	18	18	20	16
Percentage of lots sold	96%	74%	89%	95%	72%	87%	84%
Percentage of lots sold by weight	99.8%	97%	94%	86%	69%	89%	98%
Percentage of lots sold by value	82%	76%	87%	99%	91%	94%	90%
Total sales realised at auction	USD 5.9 million	USD 5.6 million	USD 7.5 million	USD 19.6 million	USD 31.6 million	USD 26.2 million	USD 26.8 million
Average per carat sales value	USD 4.40/carats	USD 5.10/carats	USD 9.35/carats	USD 26.20/carats	USD 42.71/carats	USD 38.25/carats	USD 29.71/carats

For ease of reference, the results of the four lower quality rough emerald auctions held to date are summarised below:

AUCTION RESULTS (LOWER QUALITY)	MARCH '10 AUCTION	MARCH '11 AUCTION	NOVEMBER '11 AUCTION	JUNE '12 AUCTION
Dates	11-15 March 2010	10-14 March 2011	21-25 November 2011	9-13 June 2012
Location	Jaipur, India	Jaipur, India	Jaipur, India	Jaipur, India
Type	Lower Quality	Lower Quality	Lower Quality	Lower Quality
Carats offered*	28.90 million	16.83 million	10.83 million	10.85 million
Carats Sold	22.80 million	12.98 million	9.82 million	3.47 million
No. of companies placing bids	25	44	27	20
Average no. of bids per lot	8	14	9	3
No. of lots offered	56	35	26	33
No. of lots sold	49	34	19	17
Percentage of lots sold	88%	97%	73%	52%
Percentage of lots sold by weight	79%	77%	91%	32%
Percentage of lots sold by value	89%	99%	80%	60%
Total sales realised at auction	USD 7.2 million	USD 9.9 million	USD 11.0 million	USD 9.0 million
Average per carat sales value	USD 0.31/carat	USD 0.77/carat	USD 1.12/carat	USD 2.61/carat

* A larger volume of material was placed on offer in March 2010 following Gemfields extensive inventory building exercise during 2008 and 2009.

The specific auction mix and the exact quality of the lots offered at each auction vary in characteristics such as size, colour and clarity on account of mined production and market demand. Each auction is thus made up of somewhat differing overall quality compositions.

Ian Harebottle, CEO of Gemfields, commented:

"Gemfields is delighted with the results of the Singapore auction announced today. The figures provide further evidence that the general global economic uncertainty has not affected the achievable per carat emerald rough prices on a quality-for-quality basis. The higher quality material is often regarded as a store of value in times of uncertainty and we remain confident in the long term value of these gemstones, the consistency of global demand and our ability to ensure a stable supply of high-quality ethically sourced emeralds from our Kagem mine in Zambia. During the coming year we will also begin to focus on new marketing initiatives aimed at increasing the market visibility and profile of emeralds, rubies and other premium coloured gems. We look forward to adding the sale of rough rubies from the Montepuez ruby mine in Mozambique to our auctions in 2013."

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Notes to Editors:

Gemfields plc is a leading gemstone miner listed on the AIM market of the London Stock Exchange (ticker: `GEM'). The Company's principal asset is the 75% owned Kagem emerald mine in Zambia, the world's single largest emerald mine. In addition to the Kagem emerald mine, Gemfields has a 50% interest in the Kariba amethyst mine in Zambia.

The Company also owns controlling stakes in a highly prospective ruby deposit in Mozambique and licences in Madagascar including ruby, emerald and sapphires deposits.

In July 2009 Gemfields commenced a formal auction programme for its Zambian emeralds. To date, the Company has held eleven auctions which have generated revenues totalling USD 160.5 million.