

Gemfields Group

SALES, CASH & COST UPDATE – DECEMBER 2020

GEMFIELDS



Responsibly sourced Zambian emeralds and Mozambican rubies.

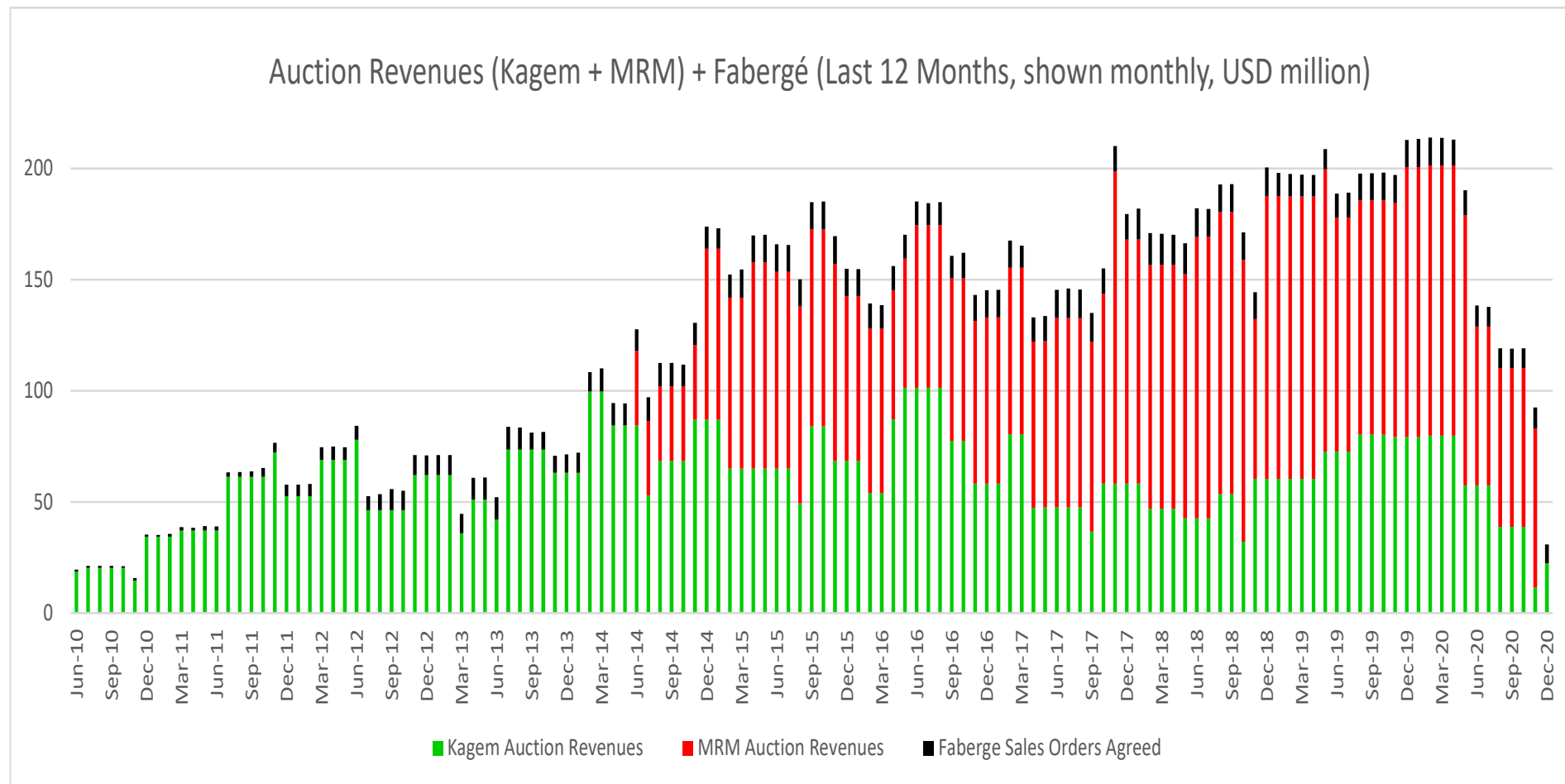
Championing transparency and trust in the coloured gemstone industry.

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KEY REVENUE DRIVERS (12 MONTH ROLLING BASIS)



Figures are up to and including 17 December 2020. No further gemstone auctions will take place in 2020. Fabergé figures are shown on a “sales orders agreed” basis (i.e. delivery and/or payment may yet have to take place). Total Kagem emerald auction revenue in 2020 is USD 22.4 million. Total ruby auction revenue for MRM in 2020 is zero.

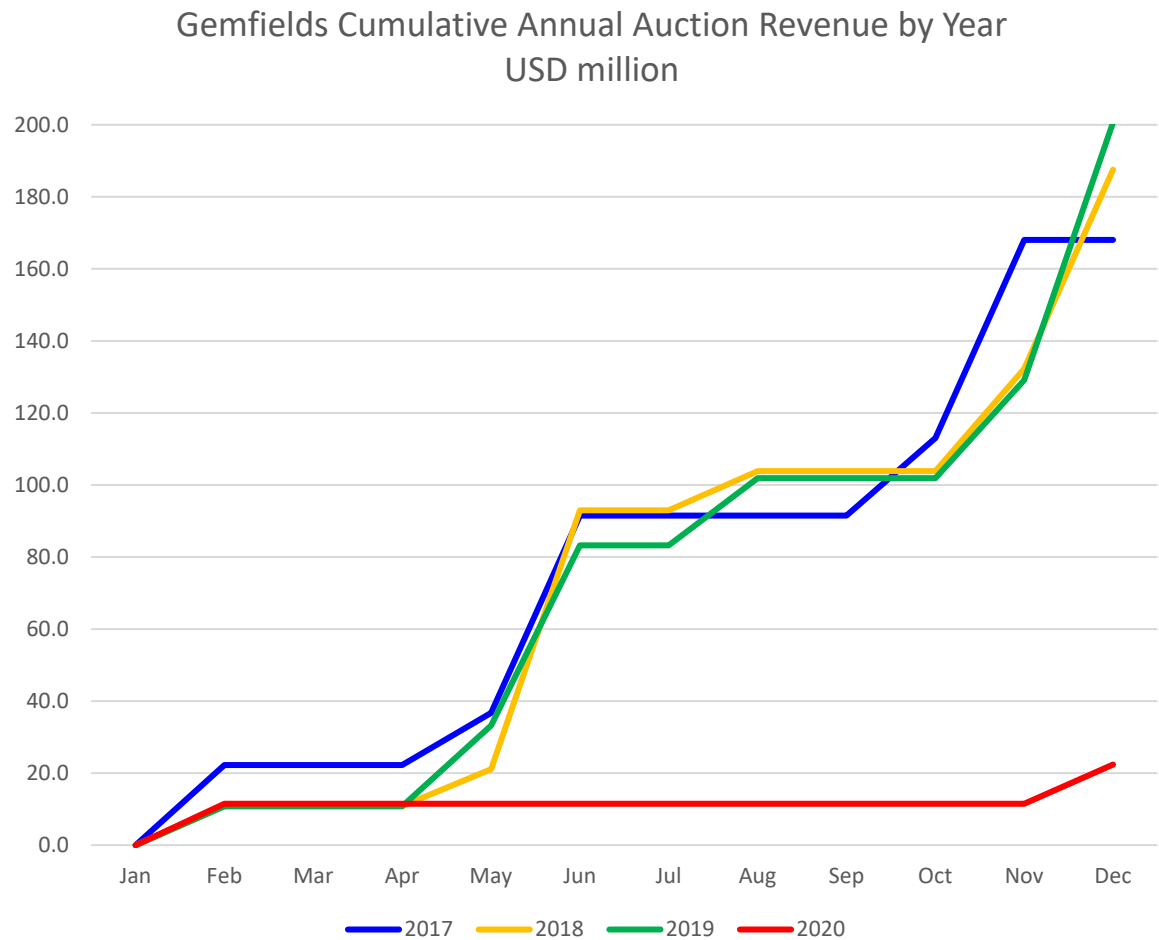
On 11 December 2020, Gemfields announced the results of its series of five mini emerald auctions held during the period 2 November 2020 to 11 December 2020.

The mini-auctions were largely comprised of a subset of grades that are typically offered at Kagem's auctions of higher quality emeralds. The specific auction mix and quality of the lots offered at each auction vary in characteristics such as size, colour and clarity on account of variations in mined production and market demand. Therefore, the results of each auction are not directly comparable.

Highlights – Mini-Auctions

1. Aggregated auction revenues of USD 10.88 million
2. Average price of USD 59.84 per carat
3. Of the 28 lots offered, 24 were sold (86%)
4. 80% of the carats offered were sold
5. The 36 Kagem auctions (with the recent series of 5 mini-auctions treated as one auction) held since July 2009 have generated USD 657.4 million in total revenues

AUCTION RESULTS (HIGHER QUALITY)	May '18 AUCTION	Nov '18 AUCTION	May '19 AUCTION	Nov '19 AUCTION	Nov-Dec '20 AUCTION
Dates	15-18 May 2018	14-17 Nov 2018	14-17 Nov 2019	18-19 Nov 2019	2 Nov – 11 Dec 2020
Location	Lusaka	Singapore	Singapore	Singapore	Various / Online
Type	Higher Quality	Higher Quality	Higher Quality	Higher Quality	Higher Quality
Carats offered	0.31 million	0.57 million	0.43 million	0.36 million	0.23 million
Carats sold	0.17 million	0.42 million	0.31 million	0.32 million	0.18 million
No. of companies placing bids	31	40	45	48	47
Average no. of bids per lot	8	8	8	9	11
No. of lots offered	17	26	35	38	28
No. of lots sold	10	20	28	33	24
Percentage of lots sold	59%	77%	80%	87%	86%
Percentage of lots sold by weight	56%	74%	72%	88%	80%
Total sales realised	USD 10.3 million	USD 28.4 million	USD 22.4 million	USD 27.2 million	USD 10.9 million
Average per carat sales value	USD 59.55 / carat	USD 68.03 / carat	USD 71.85 / carat	USD 85.26 / carat	USD 59.84 / carat



Figures are up to and including 17 December 2020. No further auctions will take place in 2020 (total emerald Kagem auction revenue in 2020 is USD 22.4 million. Total ruby auction revenue for MRM in 2020 is zero).

Kagem Mining Limited, Zambia

EMERALDS

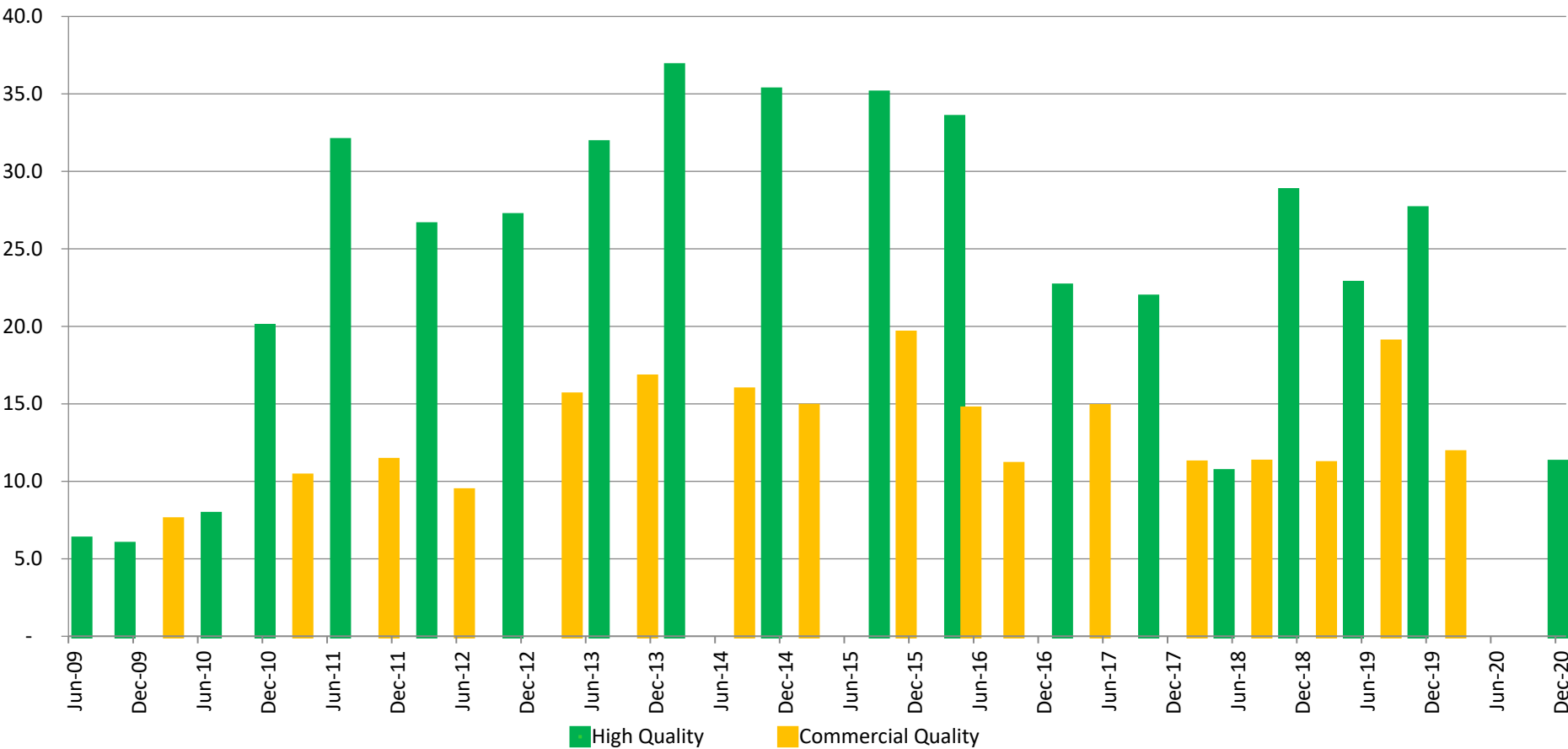
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Responsibly sourced Zambian emeralds and Mozambican rubies.

Empowering local communities by establishing schools, education initiatives and scholarships.

KAGEM EMERALD TOTAL AUCTION SALES (USD MILLION)
CUMULATIVE REVENUE IS USD 657.4 MILLION FROM 36 AUCTIONS



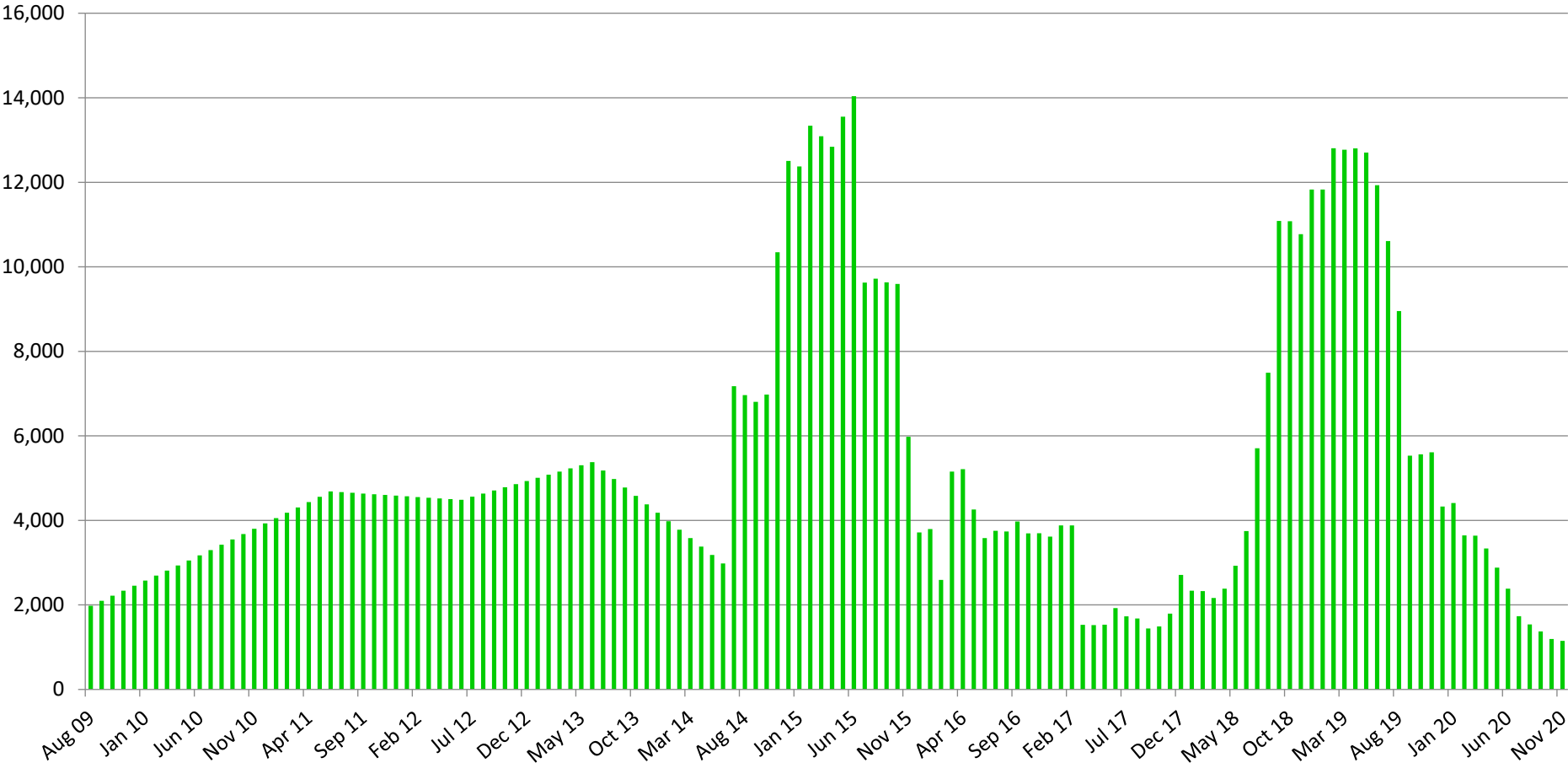
The aggregated revenues of Gemfields’ five mini emerald auctions held during the period 2 November 2020 – 11 December 2020 have been classified as a high quality auction for the purposes of this graph.

Kagem Emerald Mine - CAPEX

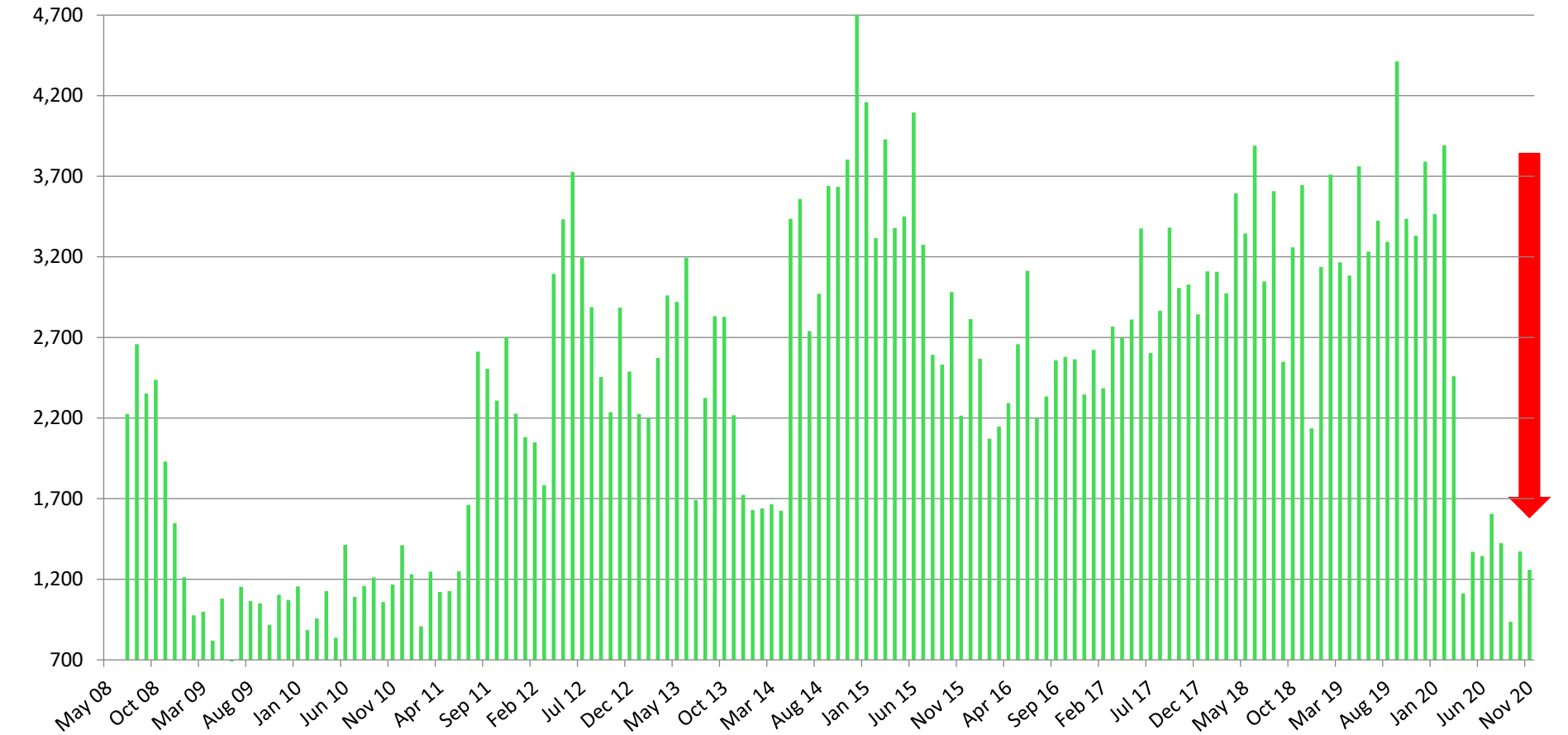
ZAMBIA

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KAGEM CAPITAL EXPENDITURE (LAST 12 MONTHS, ACTUAL CASH COST BASIS IN USD'000, UNAUDITED)



KAGEM TOTAL MONTHLY OPERATING COSTS (ACTUAL CASH COST BASIS)
USD '000 (UNAUDITED)



Montepuez Ruby Mining Limitada, Mozambique

RUBIES

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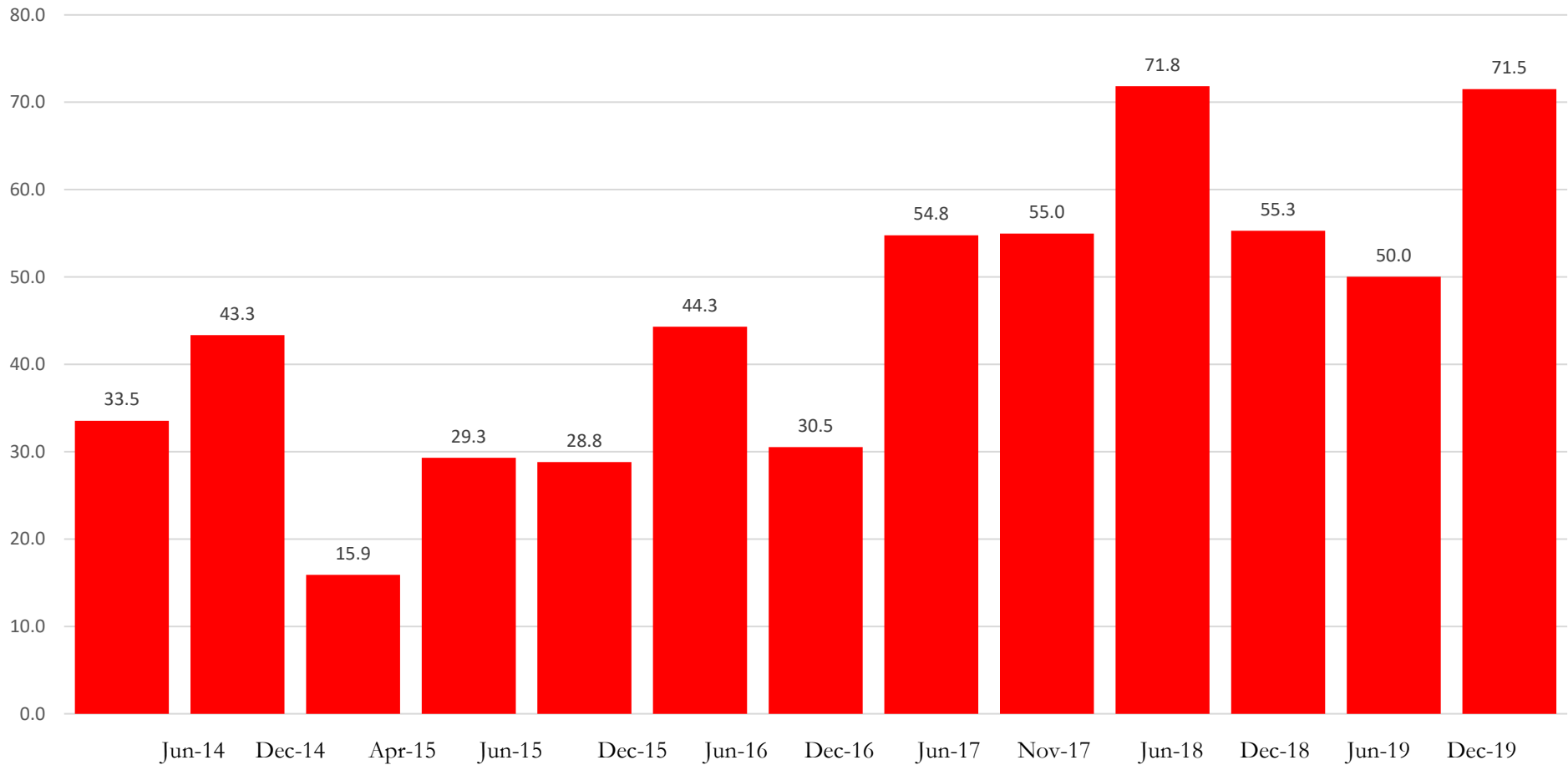
Responsibly sourced Zambian emeralds and Mozambican rubies.

Creating sustainable livelihoods through local development programs.

Montepuez Ruby Mining – Auctions to Date

MOZAMBIQUE

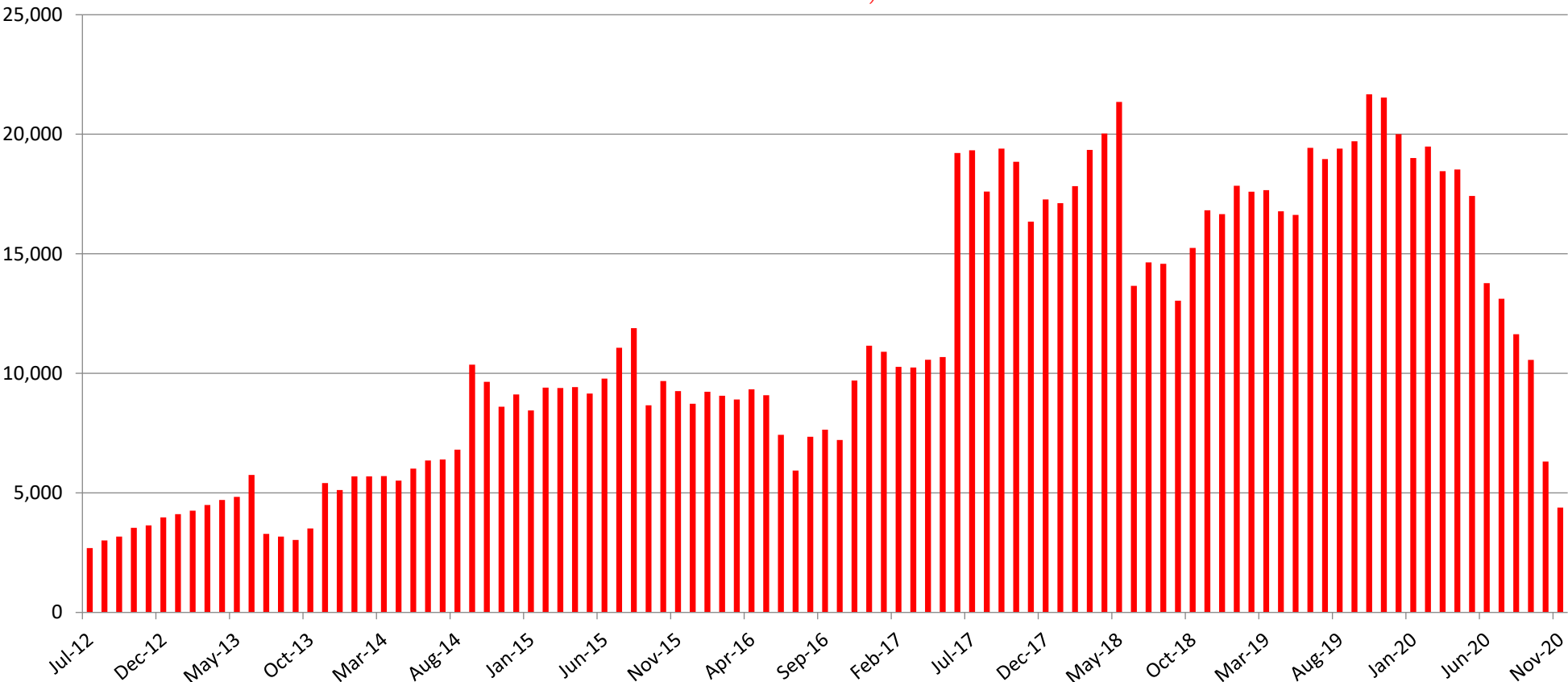
MONTEPUEZ ROUGH RUBY TOTAL AUCTION SALES (USD MILLION)
CUMULATIVE REVENUE IS USD 584 MILLION



Montepuez Ruby Mining - CAPEX

CAPEX

MONTEPUEZ CAPITAL EXPENDITURE (LAST 12 MONTHS, ACTUAL CASH COST BASIS in USD'000, UNAUDITED)



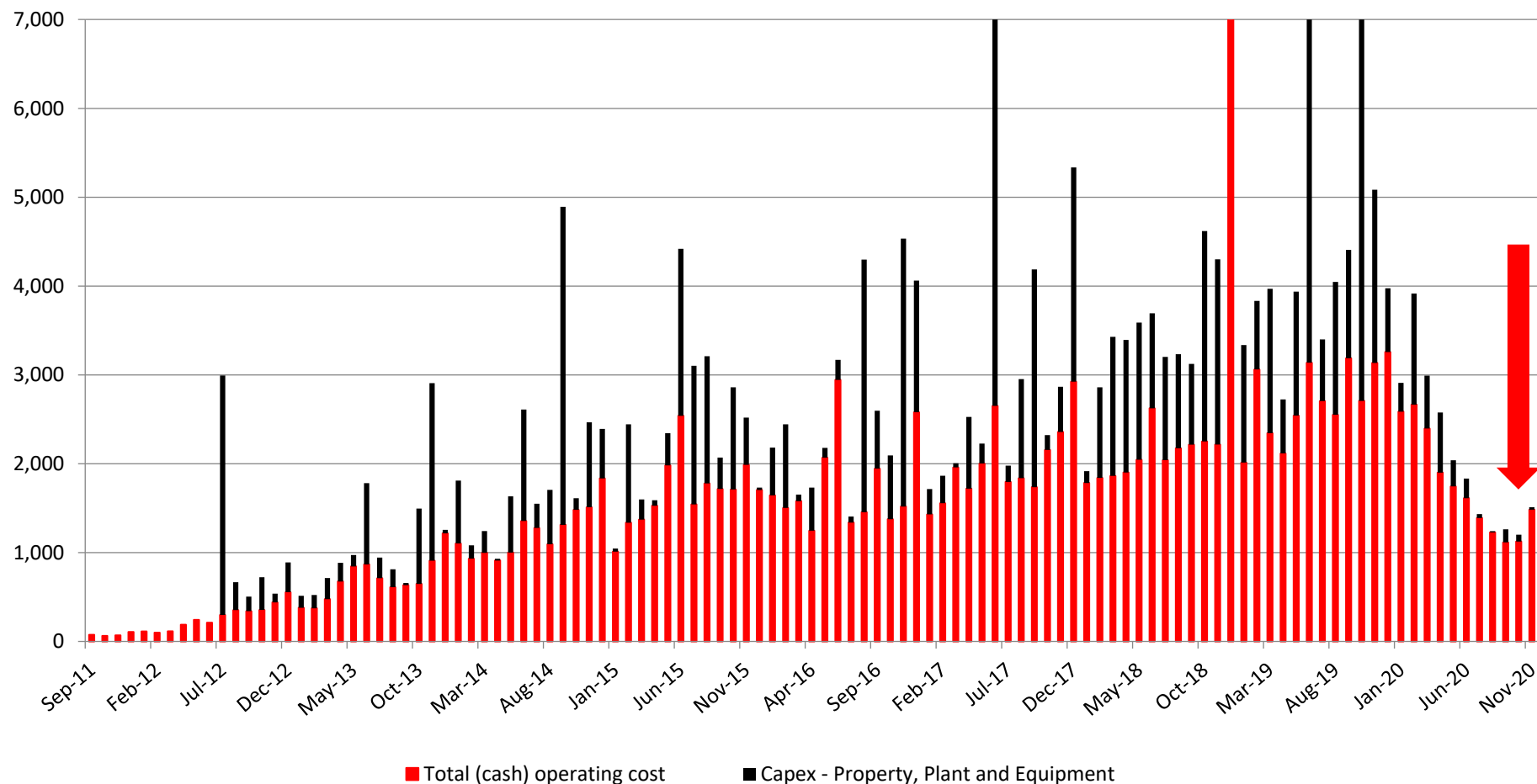
Major capex projects include the MRM sort house (completed Feb 2019) and construction of the resettlement village for 105 families (occupied December 2020).

Montepuez Ruby Mining - OPEX

OPERATING & CAPEX COSTS

GEMFIELDS

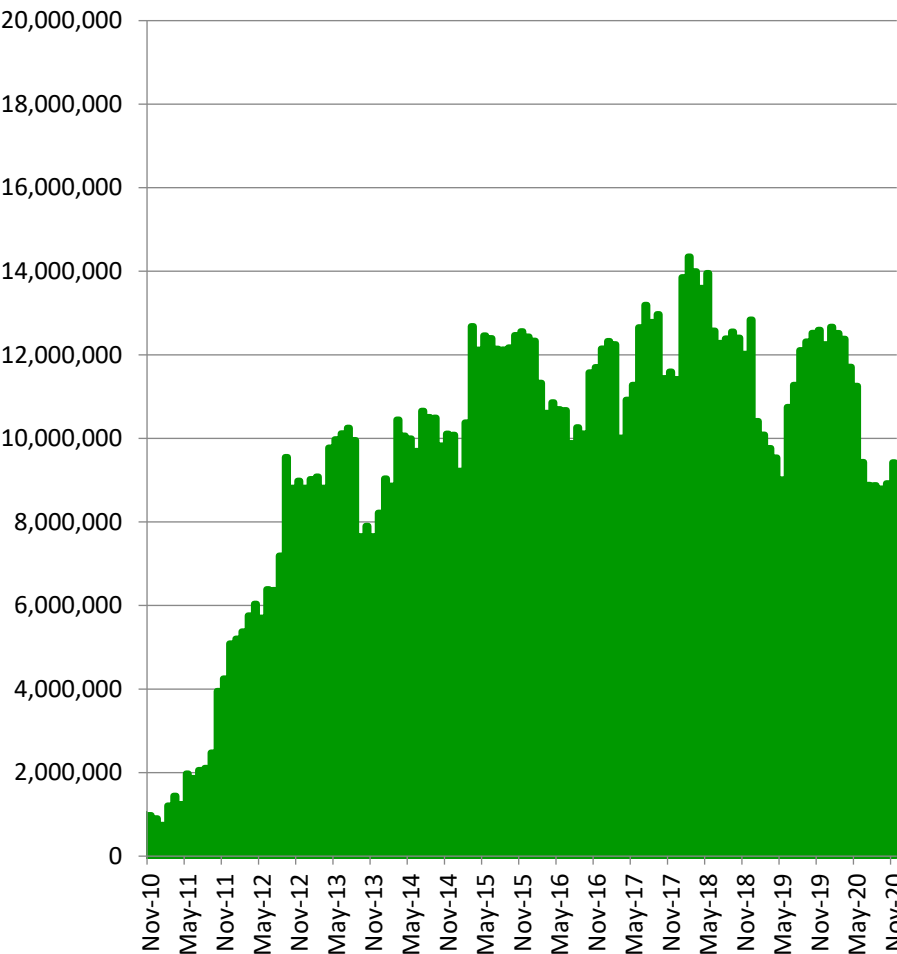
MONTEPUEZ MONTHLY TOTAL CASH OPERATING AND CAPEX COSTS USD '000 (UNAUDITED)



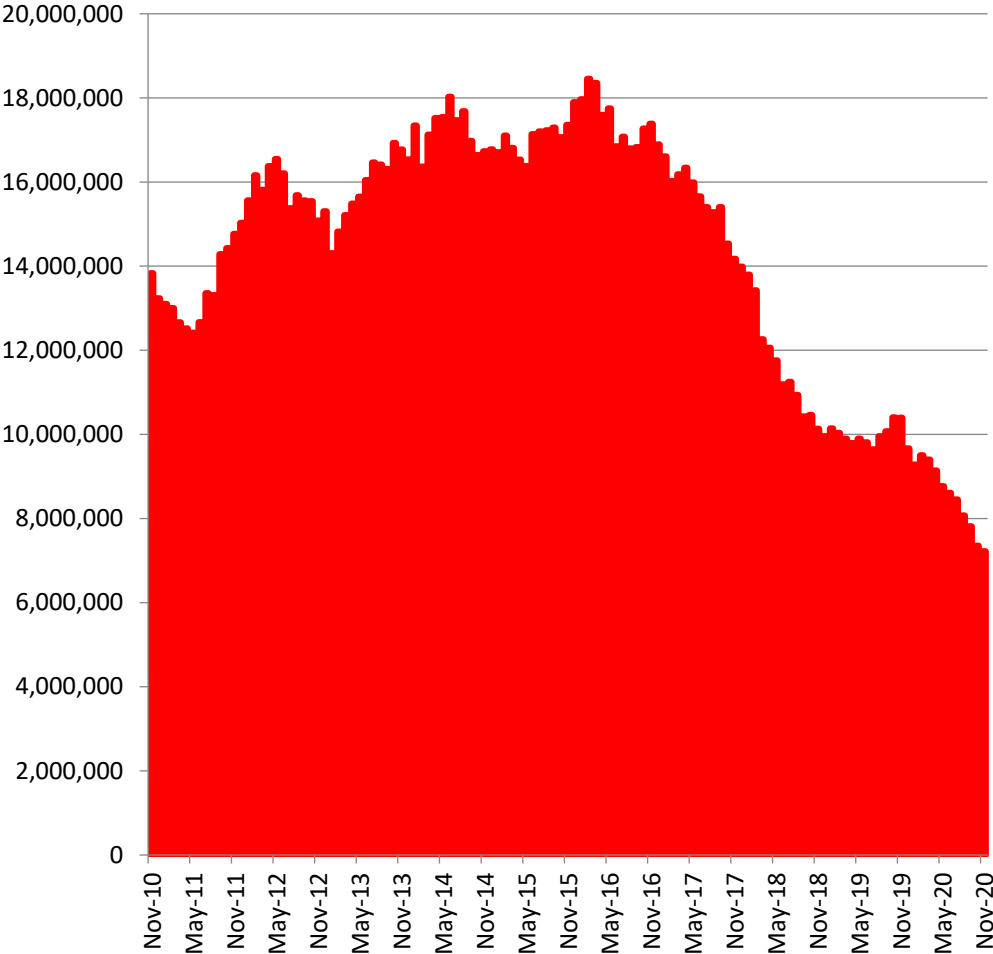
Fabergé



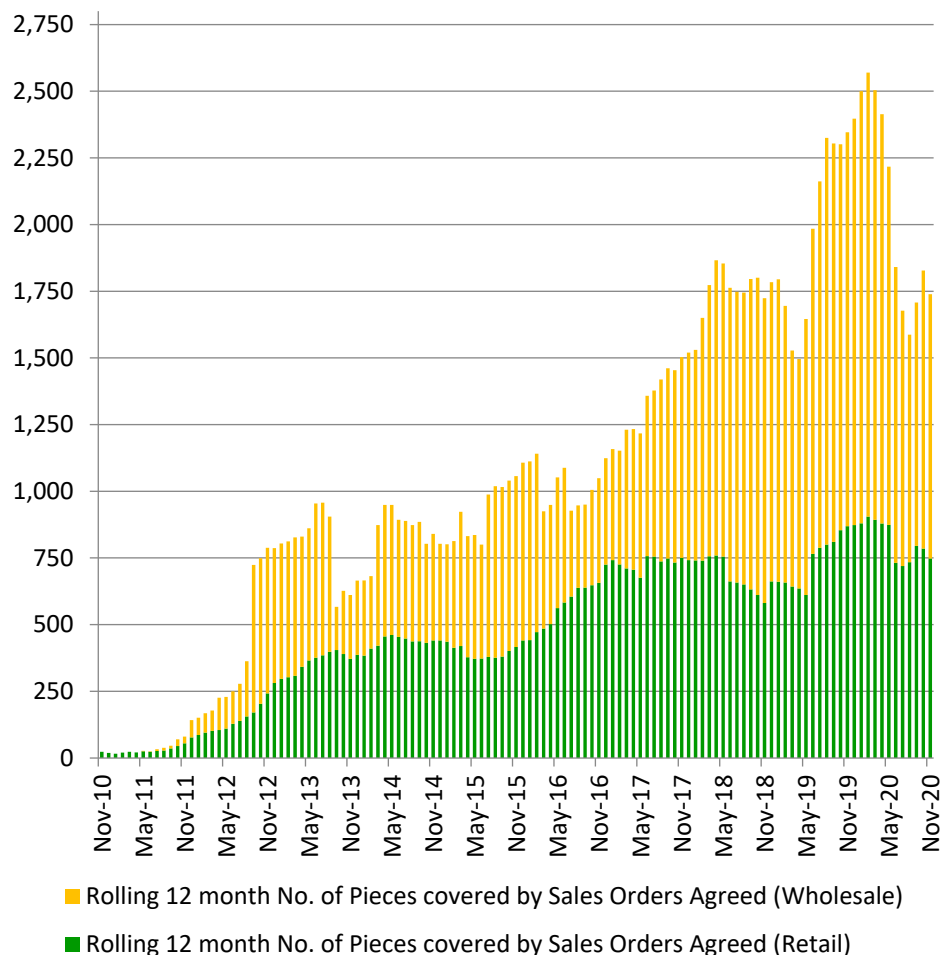
SALES ORDERS AGREED (LAST 12 MONTHS)
(USD, POST ANY DISCOUNTS, ALL CHANNELS)



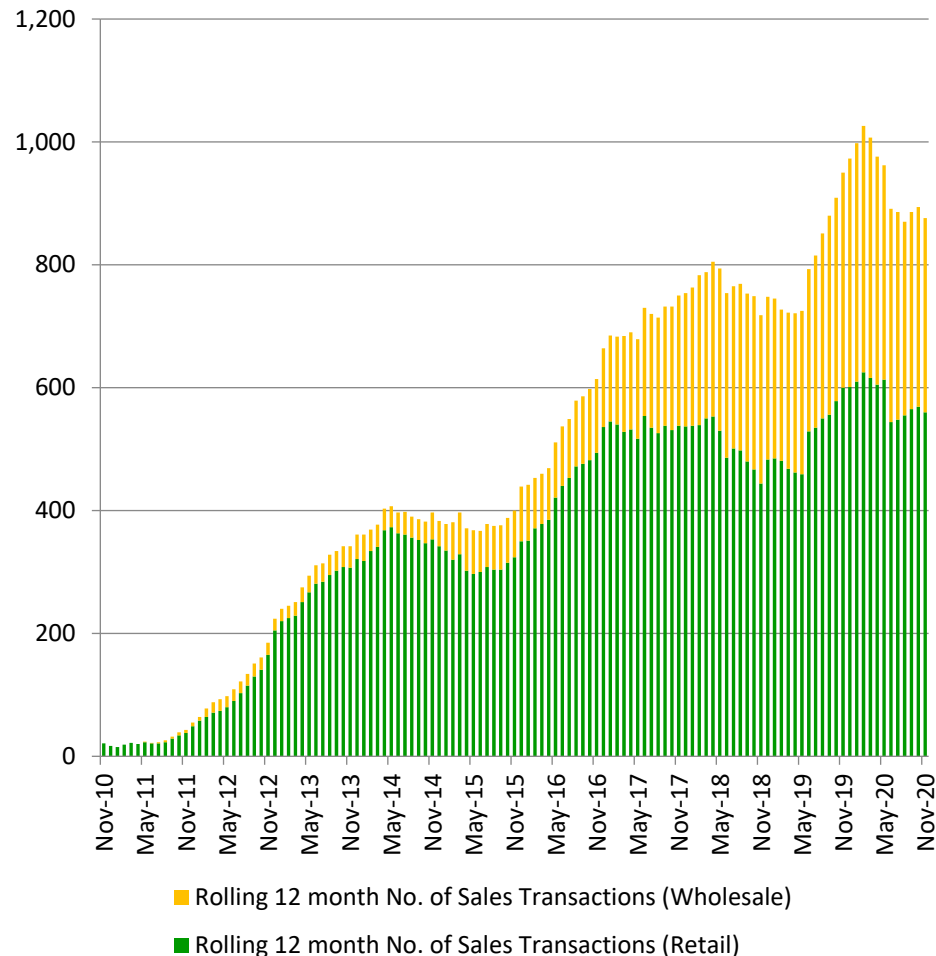
OPERATING COSTS (LAST 12 MONTHS)
(USD)



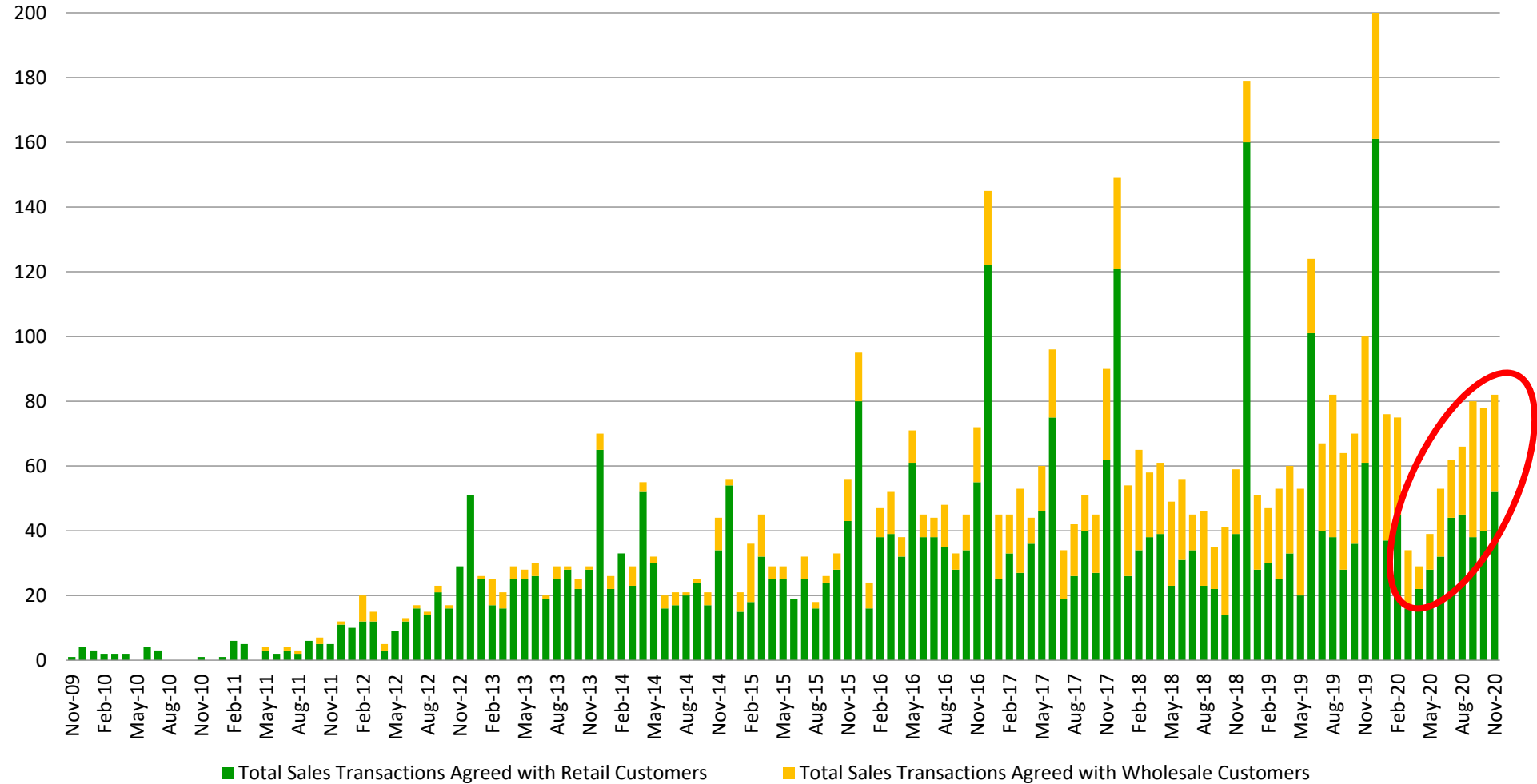
**NO. OF PIECES SOLD, LAST 12 MONTHS
(NO. OF PIECES, ALL CHANNELS)**



**NO. OF SALES TRANSACTIONS, LAST 12 MONTHS
(NO. OF SALES TRANSACTIONS, ALL CHANNELS)**

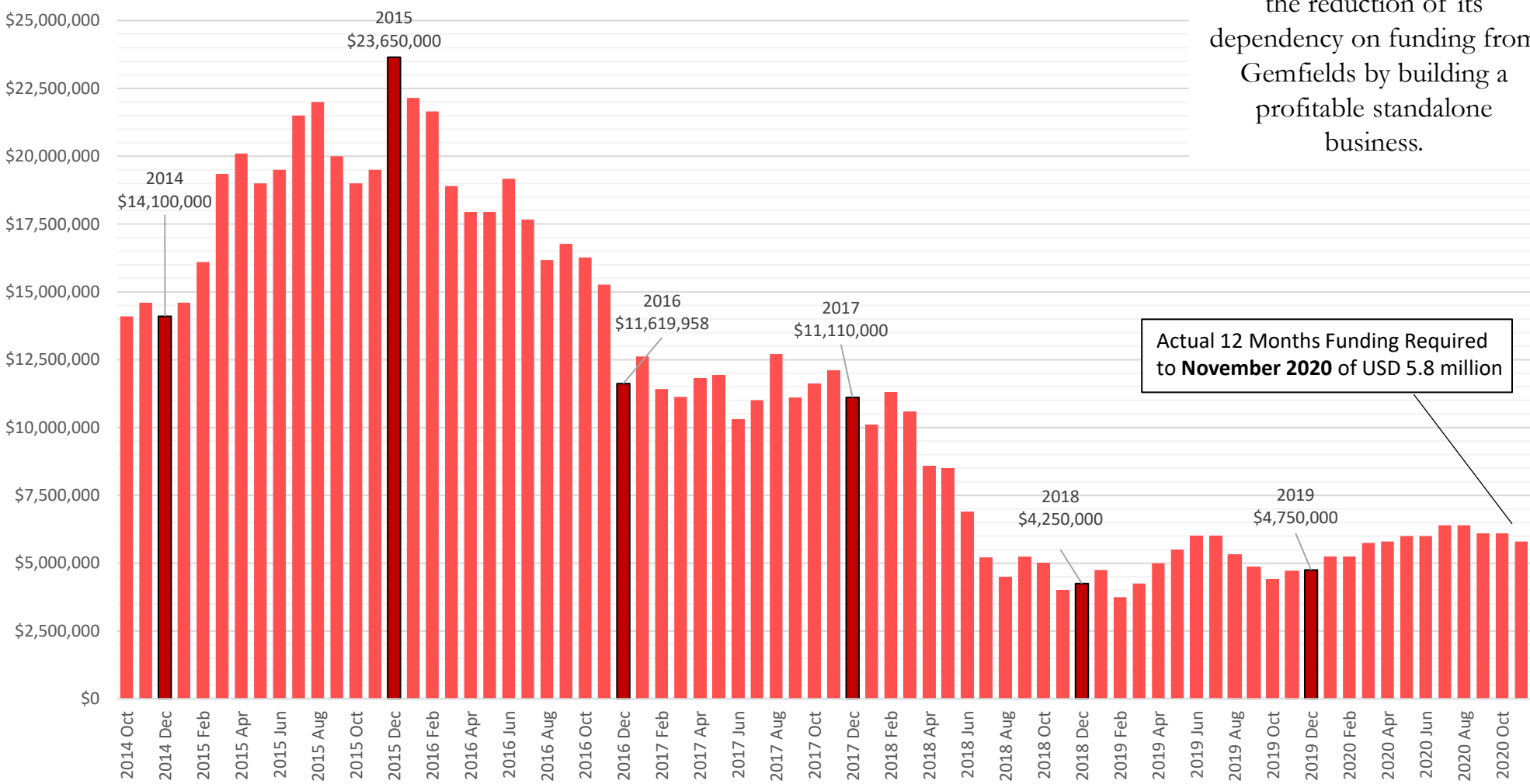


FABERGE: MONTHLY SALES ORDERS AGREED
(# OF SALES TRANSACTIONS)



FUNDING REQUIRED BY FABERGÉ (LAST 12 MONTHS, in USD)

The focus at Fabergé remains the reduction of its dependency on funding from Gemfields by building a profitable standalone business.



Covid-19 – Cash & Debt

GEMFIELDS



Responsibly sourced Zambian emeralds and Mozambican rubies.

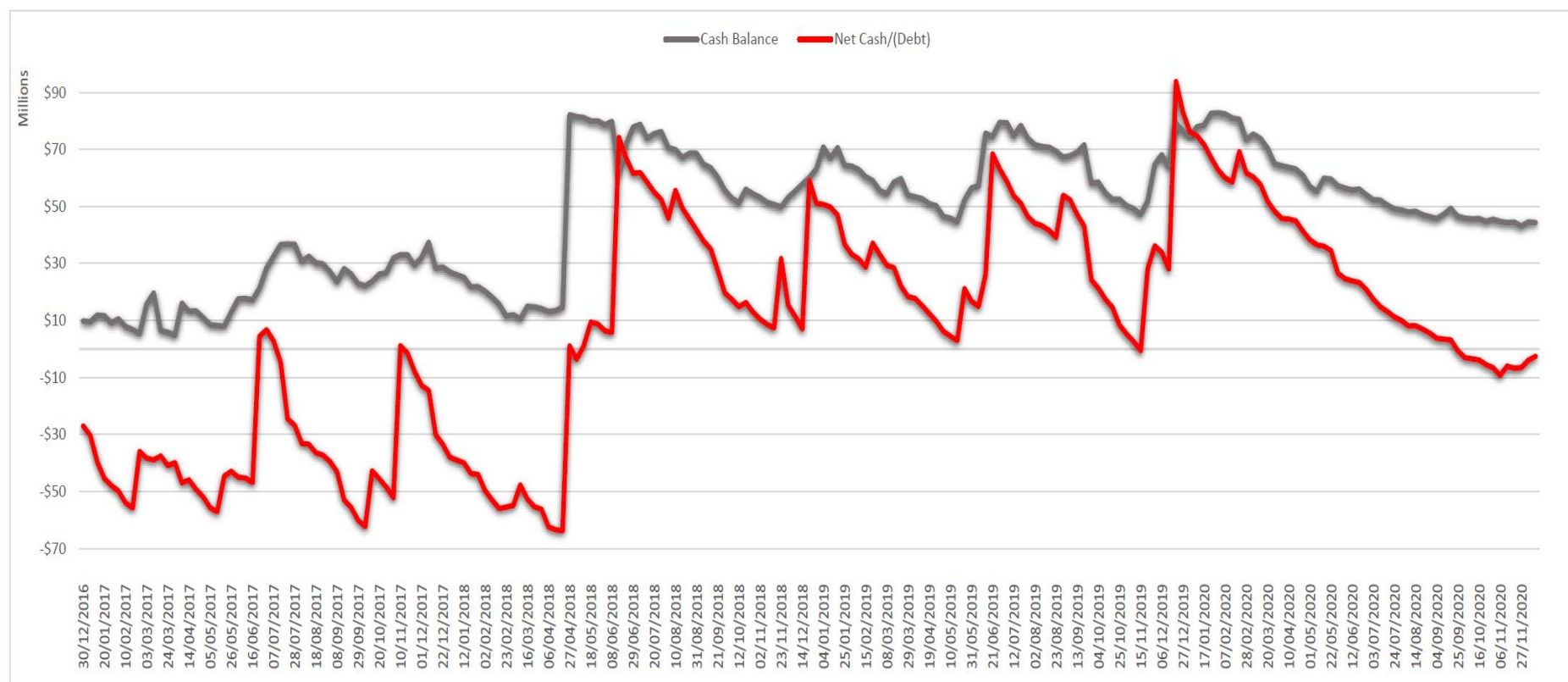
Enhancing environmental sustainability by regenerating land and replanting native flora.

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GROUP NET CASH / DEBT (INCLUDING AUCTION RECEIVABLES)

The graph below:

1. depicts the situation at 11 December 2020;
2. includes auction receivables (i.e sums due from auction customers) as cash;
3. reflects cash of USD 44.3 million, gross debt of USD 58.9 million and auction receivables of USD 12.0 million (i.e. a net position of USD -2.6 million)



NET CASH/(DEBT) PROFILE, USD'000

At 11 December 2020:

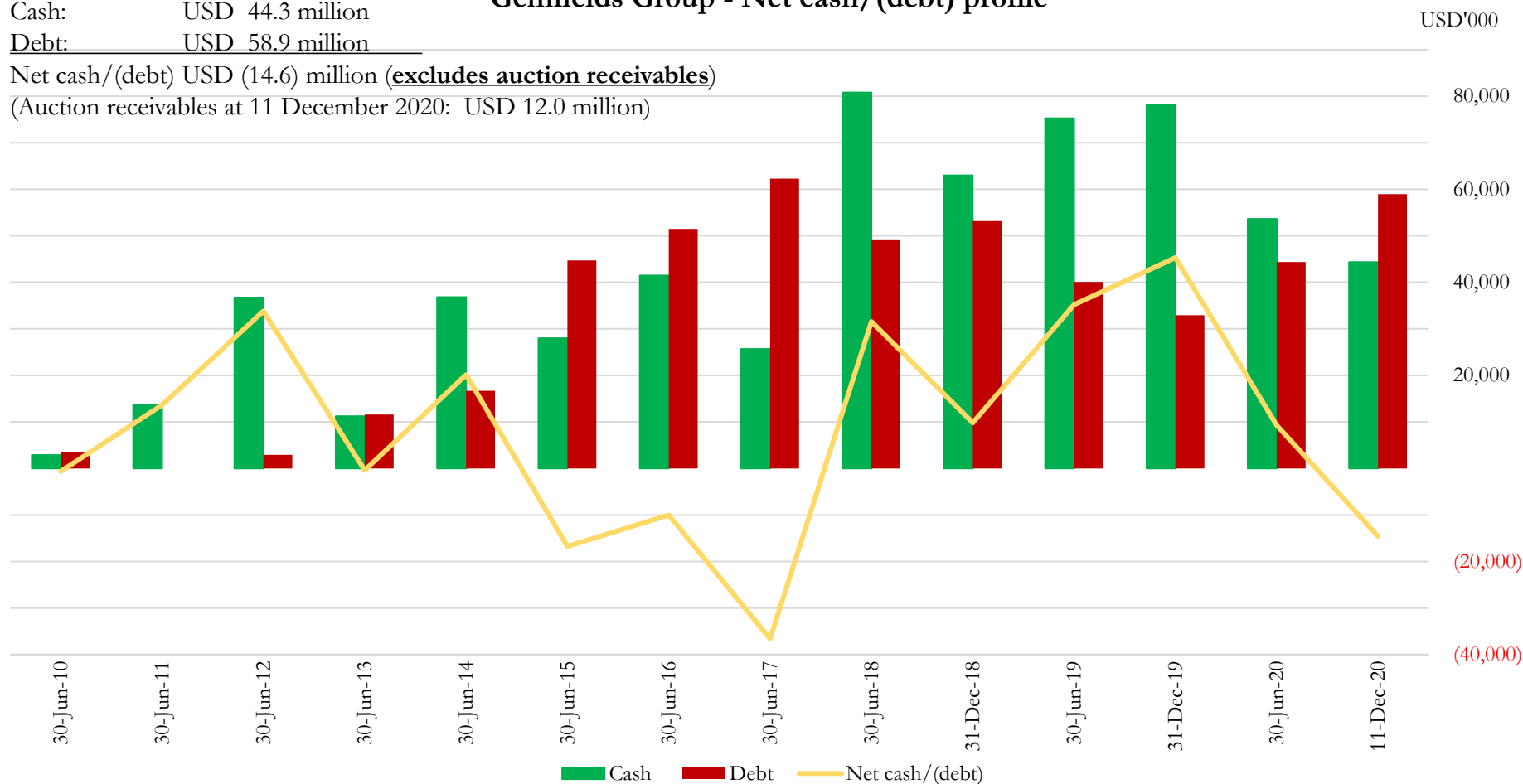
Cash: USD 44.3 million

Debt: USD 58.9 million

Net cash/(debt) USD (14.6) million (**excludes auction receivables**)

(Auction receivables at 11 December 2020: USD 12.0 million)

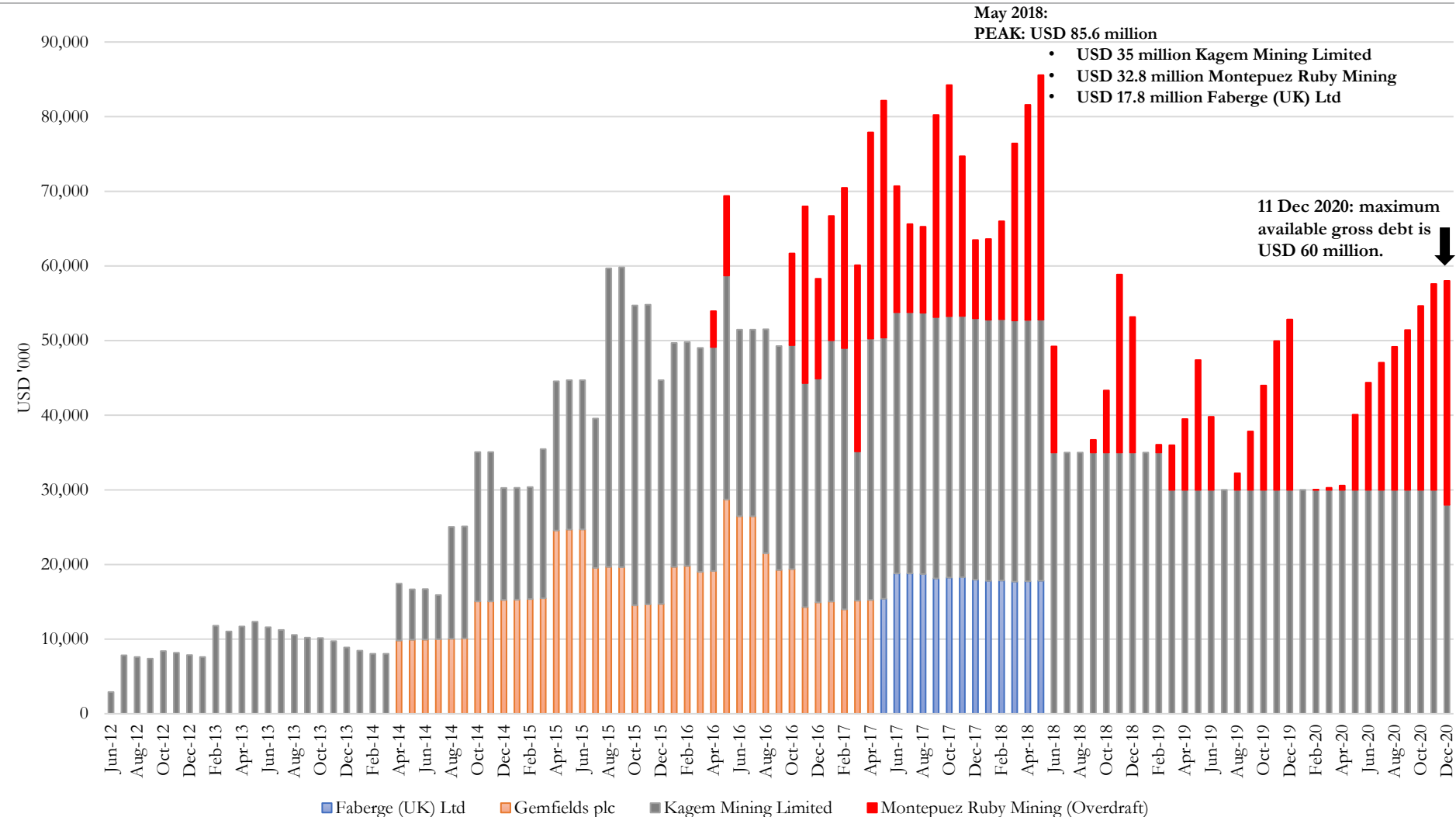
Gemfields Group - Net cash/(debt) profile



1 Figures pre August 2017 relate to Gemfields Ltd (formerly Gemfields Plc).

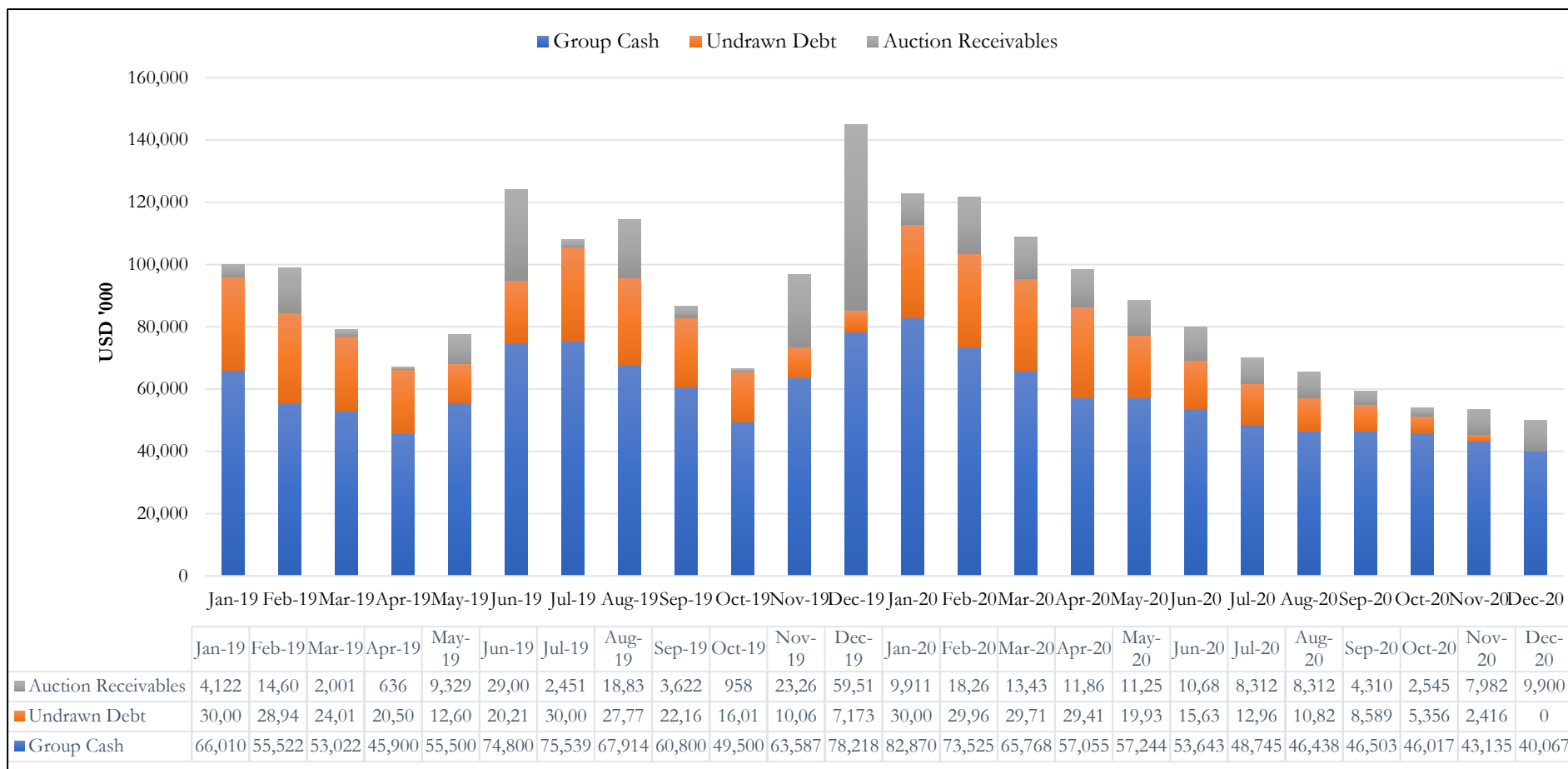
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GROSS DEBT PROFILE, USD '000



Gemfields Group Limited – Cash Resources

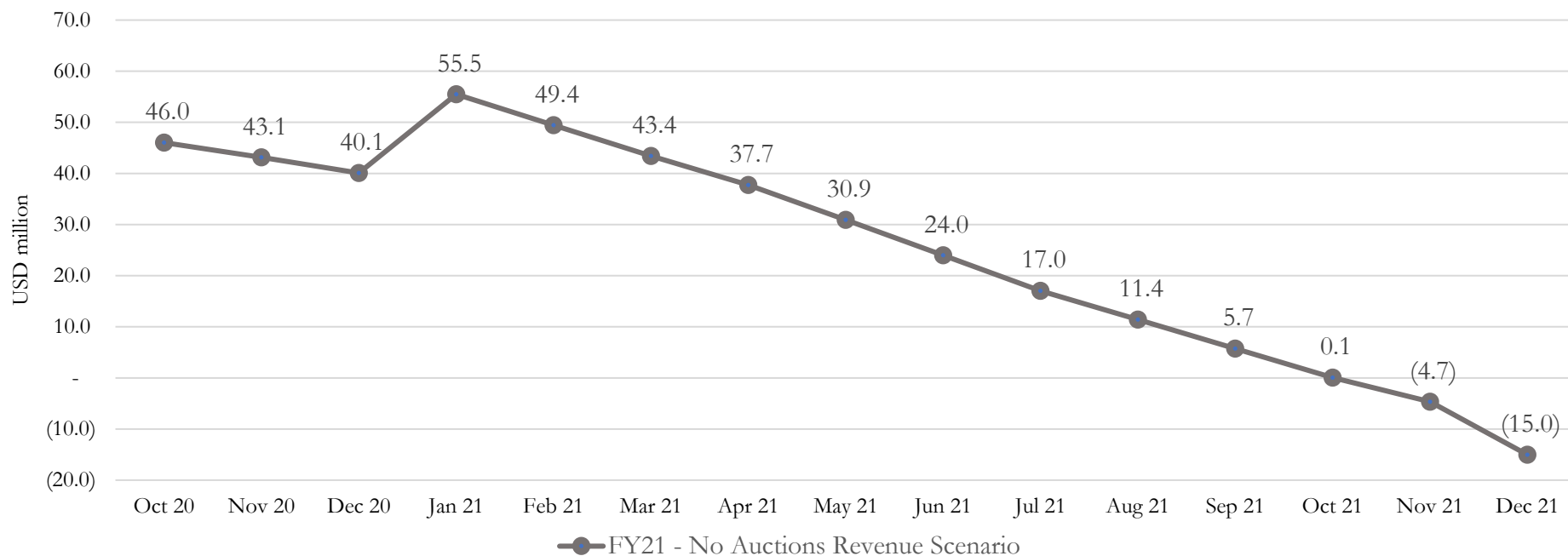
GROUP CASH + UNDRAWN DEBT + AUCTION RECEIVABLES, USD '000



- Auction receivables of USD 9.9 million consist of USD 9.0 million from **Nov/Dec 2020 mini emerald auctions** and USD 0.9 million from Feb-20 emerald auction.
- Undrawn Debt is the balance undrawn from the three credit facilities currently available, held between Kagem (ABSA USD 30m) and MRM (BCI USD 15m and ABSA USD 15m). The previously announced additional facility at MRM is NOT included in these figures, although is expected to be available from January 2021.
- December 2020 is a **forecast month and is subject to change** (i.e. the figures are projections at 31 December 2020 based on presently available information).

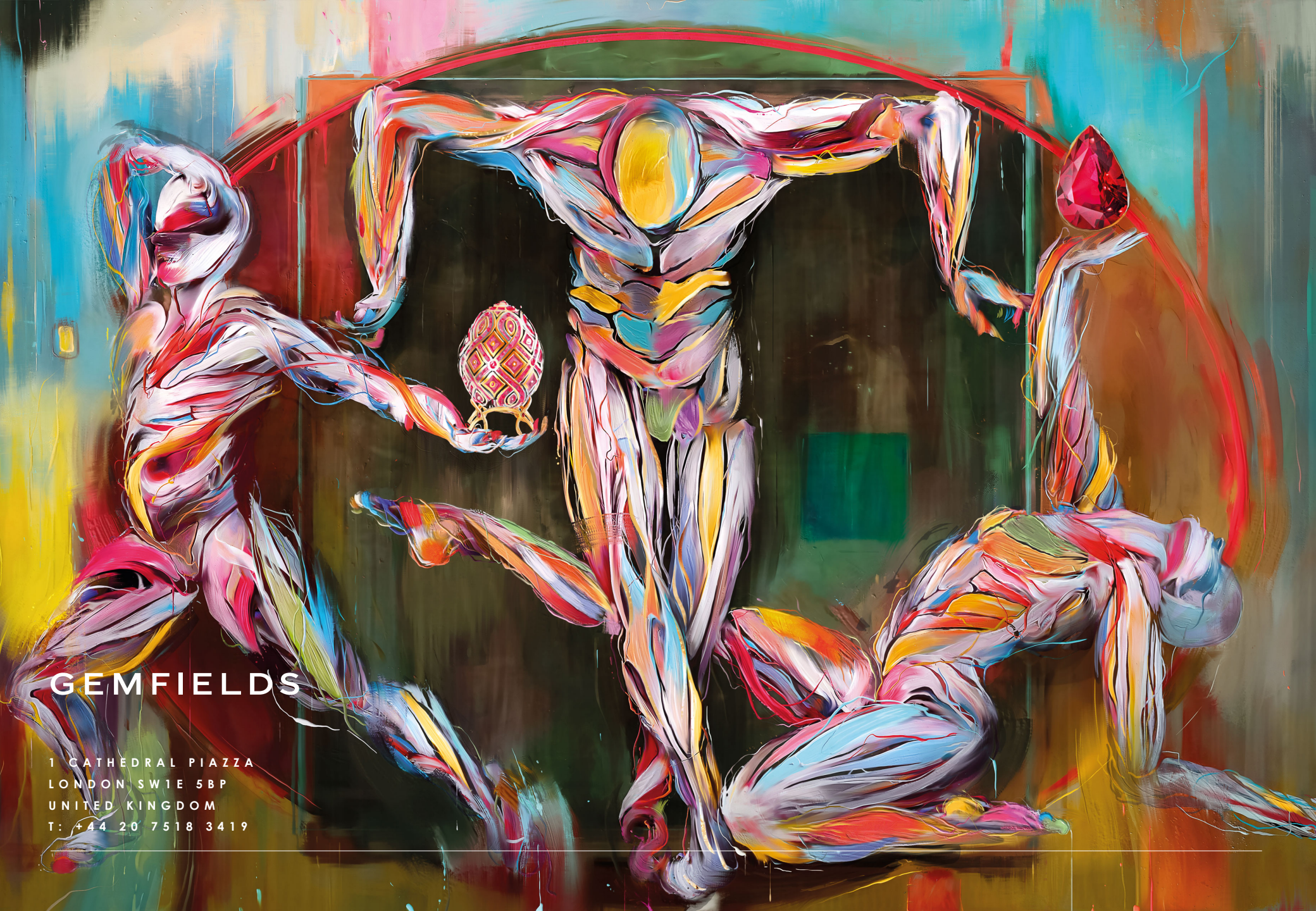
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GROUP CASH FORECAST STRESS TEST - 'NO FURTHER AUCTION REVENUE' SCENARIO



Key assumptions in this cash stress test scenario:

- USD 9.9 million of auction receivables are received in January 2021.
- In order to stress-test cash resources, no gemstone auctions are assumed to take place in FY2021 at all.
- 2021 direct sales in India of USD 5.6 million, Fabergé sales of USD 10.5 million and cut and polished gemstone sales of USD 1.3 million from the UK.
- Mines remain suspended until the end of 2021. Suspension of all expansionary capital expenditure throughout 2021.
- Development assets remain under “keep licence live” scheme until end of 2021.
- Group marketing costs cut down by circa USD 5 million compared to budget.
- In addition to 2020’s total gross debt of USD 60 million group-wide, MRM utilises an additional USD 8.9 million in debt facilities (with drawdowns from January 2021).
- Kagem repays USD 2 million of debt in December 2020 and USD 4.5 million in December 2021.
- External sources of funding (e.g. capital raise) are not called upon (and asset sales are not realised e.g. Sedibelo, Fabergé, etc). No redundancies are made.



GEMFIELDS

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