

GEMFIELDS

Full Year Results to 30 June 2013

3rd October 2013



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At a glance

- Gemfields Plc is the world's leading producer of ethically-sourced rare coloured gemstones
- Vision of becoming the global “Coloured Gemstone Champion” in emeralds, rubies, sapphires and other select gems
- **Emeralds:** 75% owner of Kagem Mining Ltd (“Kagem”), Zambia
- **Rubies:** 75% owner of Montepuez Ruby Mining Lda (“Montepuez”), Mozambique
- **Amethysts:** 50% owner of Kariba Mining Ltd (“Kariba”), Zambia
- 100% owner of **Fabergé** Ltd (“Fabergé”) - a global brand with exceptional heritage
- Continued growth and expansion opportunities – focussing on sapphires
- **Mine and market:** constantly building on our core competencies of:
 - mining;
 - distribution;
 - marketing; and
 - direct access to the luxury consumer via Fabergé
- Experienced management team with a proven track record of delivery



Highlights



Financial highlights

For the year to 30 June 2013

Revenues US\$

48,394,142

2012: 83,714,737

EBITDA US\$

1,164,793

2012: 54,559,751

Est. inventory on hand US\$

76,266,144

2011: 26,616,652

Net Loss/Profit US\$

(22,793,146)

After tax

2012: 161,466,910

Cash in hand US\$

11,222,106

2012: 36,737,362

Revenues lower than FY12
due to fewer auctions held.

Key operational developments

Annual production
of emerald and beryl

30.0mc ↑42%

2012: 21.1mc

Waste moving programme
to open new areas of ore at
Kagem continued

9.5mt

2012: 8.7mt

Average monthly operating
costs for emerald and beryl

US\$1.37m

2012: US\$1.34 million

Emerald and beryl
grade for the year

283cpt ↑38%

2012: 205cpt

Unit per carat production
costs for emerald and beryl

US\$0.55 ↓26%
per carat

2012: US\$0.74 per carat

Cash rock handling unit
costs at Kagem (per carat)

US\$3.35 ↓2%

2012: US\$3.43 per tonne

- Continued increase in achieved quality for quality per-carat sales prices for emeralds
- Completed the preliminary bio-diversity and socio-anthropological studies at Kagem with World Land Trust and University of East Anglia
- 1.8 million carats of ruby extracted from bulk sampling at Montepuez
- Completed the acquisition for 100% of Fabergé

Key developments post financial year end

- Auction of predominantly higher quality emeralds held in July 2013, Lusaka, Zambia
 - Aggregate revenues of US\$31.5 million
 - Record per carat prices of US\$54.00 per carat (+26% from previous high)
- US\$3.5 million generated by direct sale of 11,286 kg lowest quality beryl accumulated over past few years



Sector – luxury goods and gemstones

Emeralds and other coloured gemstones:

- Extremely rare and exceptionally beautiful
- History indicates that they were some of the first items to be recognised by mankind as possessing inherent value
- Largely the domain of smaller-scale (artisanal) mining

Luxury goods:

- Rapid growth largely impervious to short term fluctuations within the global economy

The opportunity:

- Repositioning coloured gemstones up alongside other luxury goods and Gemfields as the number one go-to supplier of coloured gems
- Investment into key resources, scale of operations and intellectual capital
- Providing a consistent supply of high quality, well graded rough
- Supported by targeted marketing and promotional campaigns
- Associated with Fabergé, one of the world's most recognised luxury brand names



Type	Ruby	Diamond	Sapphire	Emerald
Size	7.20 carats	10.56 carats	25.45 carats	10.22 carats
Origin	Burma		Kashmir	Columbia
\$/Carat	\$262,735	\$118,114	\$70,325	\$62,577

Review of assets



Locations



Our Locations

1. Gemfields' headquarters, London, UK
2. Kagem Mining Ltd, Zambia
3. Kariba Minerals Ltd, Zambia
4. Montepuez Ruby Mining Lda, Mozambique
5. Prospective licences, Madagascar

● Fabergé stores

▲ Gemfields' global offices

Kagem Mine

World's single largest producing emerald mine

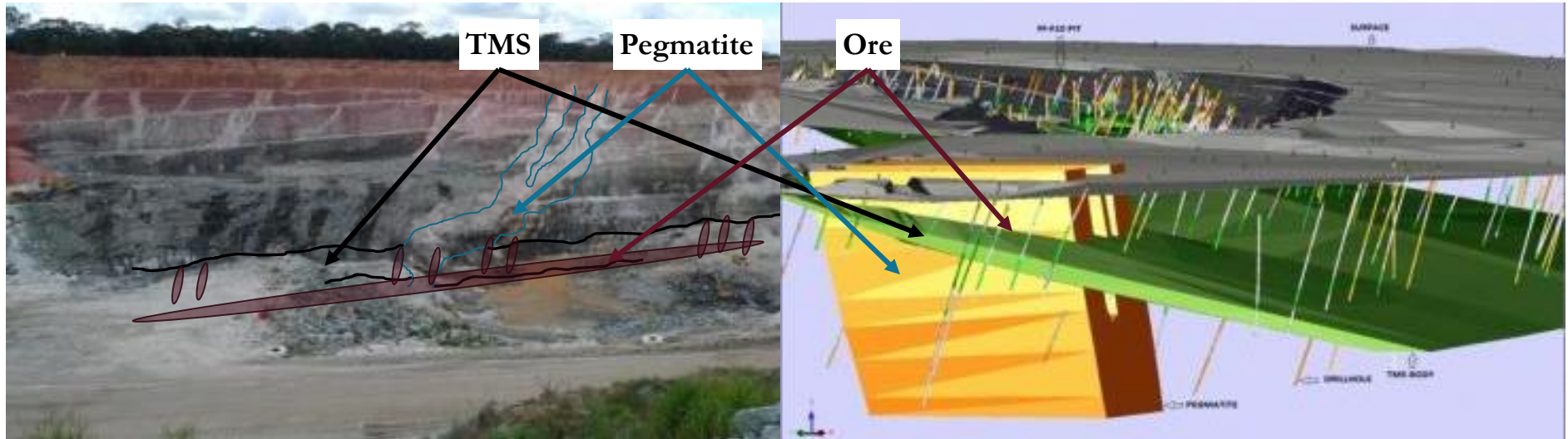
- Kagem – 75% owned by Gemfields, comprising an area of approx 43km², of which only 1.78km² is currently being mined, and encompassing six known emerald bearing belts
- Average of 2.5m carats of emerald and beryl produced per month
- Ongoing focus on waste mining with a view to exposing new areas of ore for future production
- 9.5m tonnes of waste and 106,000 tonnes of ore mined during the period at a stripping ratio of 90:1
- Recognition received for achieving in excess of 3 million injury-free shifts



KAGEM Annual Production Summary	Units	Year to 30 June 2007	Year to 30 June 2008	Year to June 2009	Year to 30 June 2010	Year to 30 June 2011	Year to 30 June 2012	Year to 30 June 2013
Gemstone Production (Emerald + Beryl)	million carats	9.4	9.9	28	17.4	33	21.1	30.0
Ore Production (Reaction Zone)	thousand tonnes	29	42	80	61	69	103	106
Grade (Emerald + Beryl/Reaction Zone)	carats/tonne	325	233	349	286	478	205	283
Waste Mined (including TMS)	million tonnes	2.8	5.1	4	2.5	3.8	8.7	9.5
Stripping Ratio		96	120	50	42	57	85	90

Kagem Mine

Underground feasibility study



- Projected 20 year LOM producing 34 million carats per annum
- FY2014-15, accelerated underground construction and development due to begin
- Projected nominal cash flow over LOM of approximately US\$55 million
- Robust economics
 - Projected post-tax NPV (at a 10% discount rate) of US\$ 372 million
 - Capital expenditure of US\$55.1 million over the first five years and a total of US\$113.2 million over 20 year LOM
 - Extensive diamond core-drilling and bulk-sampling work continues throughout the Kagem mining licence area on remaining known, but as yet unproven, emerald bearing deposits.

Kagem Mine

Trial underground mining project

- Total linear development during the year of 300 metres
- Total of 4,918 tonnes of ore produced during the year
- Produced approximately 381,395 carats at a grade of 77.5 carats per tonne
- Provides Gemfields with a high degree of confidence that a larger scale underground mining project could be safely and effectively implemented
- Will increase the projected LOM by at least 20 years



Montepuez Ruby Mine

Rubies (75% ownership)

- Licence covers approximately 340km²
- Believed to be potentially the largest known ruby concession in the world
- 1.8 million carats of ruby extracted from bulk sampling in 2013 financial year to identify most attractive deposits
- Developed ‘first of its kind’ grading and sorting framework for rough rubies
- First ruby auction is expected by end of CYH1 2014.



Kariba Minerals

Amethyst (50% ownership)

- World's single largest amethyst mine
- Government of Zambia transferred its 50% stake to state-owned ZCCM-IH
- Gemfields and ZCCM-IH recapitalising project with a US\$ 2.5 million cash injection
- Strategy to significantly increase production following investment



Oriental Mining

Rubies, emeralds and sapphires (100% ownership)

- 15 exploration licences covering emeralds, rubies, sapphires, tourmalines and garnets in the Antananarivo, Fianarantsoa and Toliara provinces of Madagascar
- Stage I Geological evaluation completed on 20 licence areas
- Nine licence areas identified as being either prospective or highly-prospective

Fabergé

(100% ownership)

- 28 Jan 2013, completed US\$90.3 million acquisition of Fabergé via 213,999,999 Gemfields shares at a market price of 42.22¢ (26.83p) at date of completion
- A global brand with exceptional heritage
- Fabergé provides Gemfields with a direct route into the luxury goods market - and a greater influence over the global positioning for coloured gemstones and their growth in demand
- Advance 'mine and market' vision



Fabergé – developments

- Appointment of a new President and Chief Operating Officer
- Restructuring of operations and outlets
- Alignment of marketing efforts
- Achieved record number of unit sales in the period to 30 June 2013
- Opened first collaborative boutique in Kiev, Ukraine
- April 2013 – BaselWorld 2013, design teams focussed on creating new jewellery pieces and collections reflecting the artistic use of coloured gemstones
- First ad campaign launched under Gemfields’ new strategy ‘The Art of Colour’ – emotion rings



Rough sales and marketing



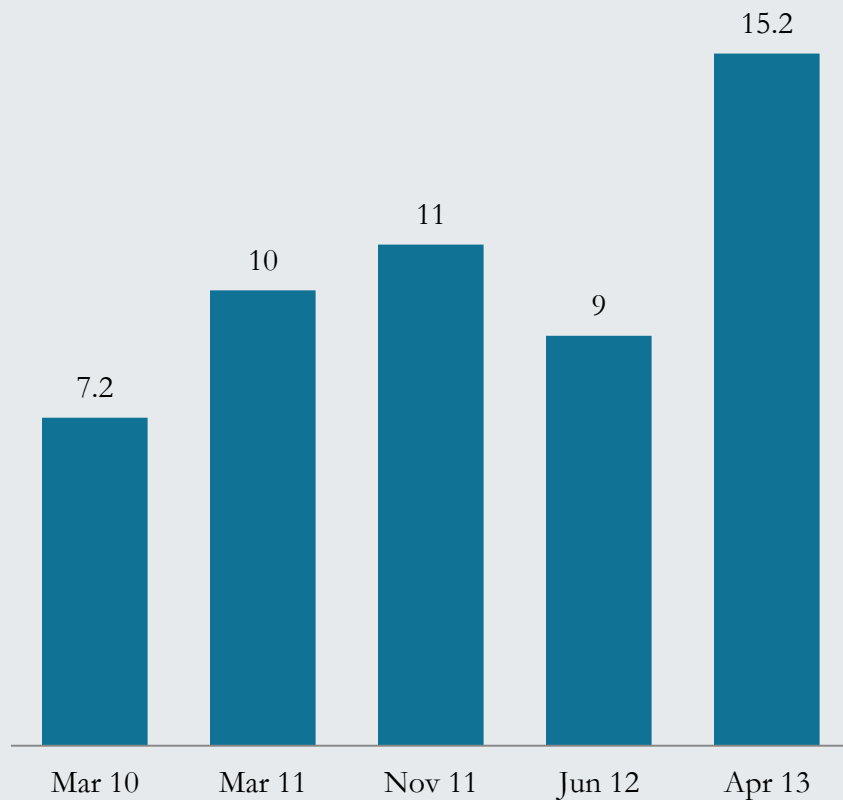
Auction update

- Currently, no law in Zambia prohibits the export of emeralds for auction purposes
- Zambian Ministry of Mines, Energy and Water Development asked Gemfields to host two auctions within Zambia
- Auctions took place in Lusaka, from 15-19 April (lower quality) and 15-19 July (higher quality).
- Gemfields hosted the **2013 Zambian Emerald Summit** in Lusaka in May
- Gemfields continues to seek guidance and to interact with the Government of Zambia, with respect to obtaining clear guidance and direction to freely choose the locations of its auctions

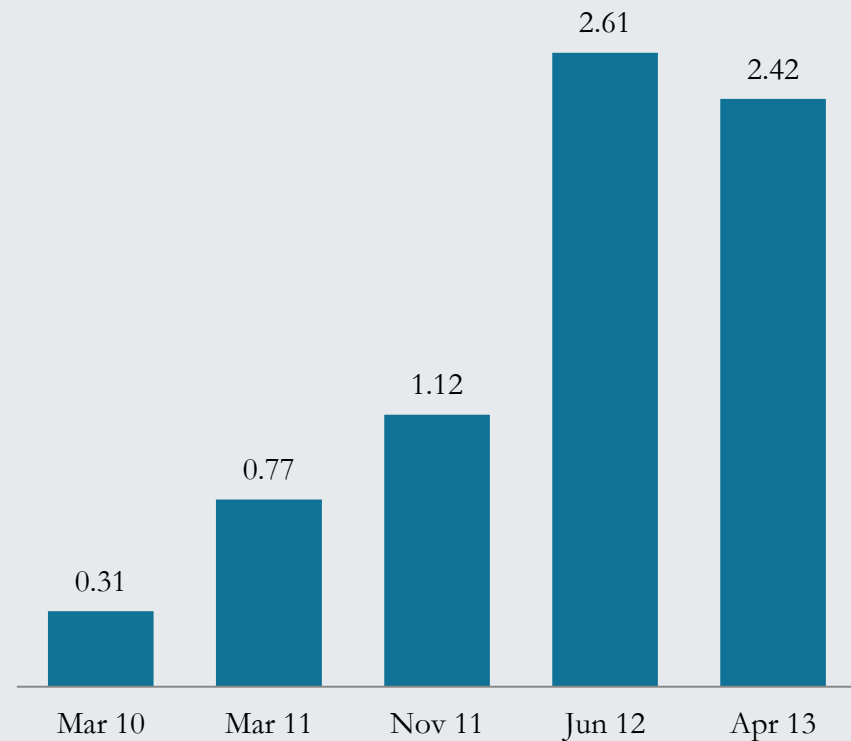


Rough sales (lower quality)

Total sales realised at auction (US\$)

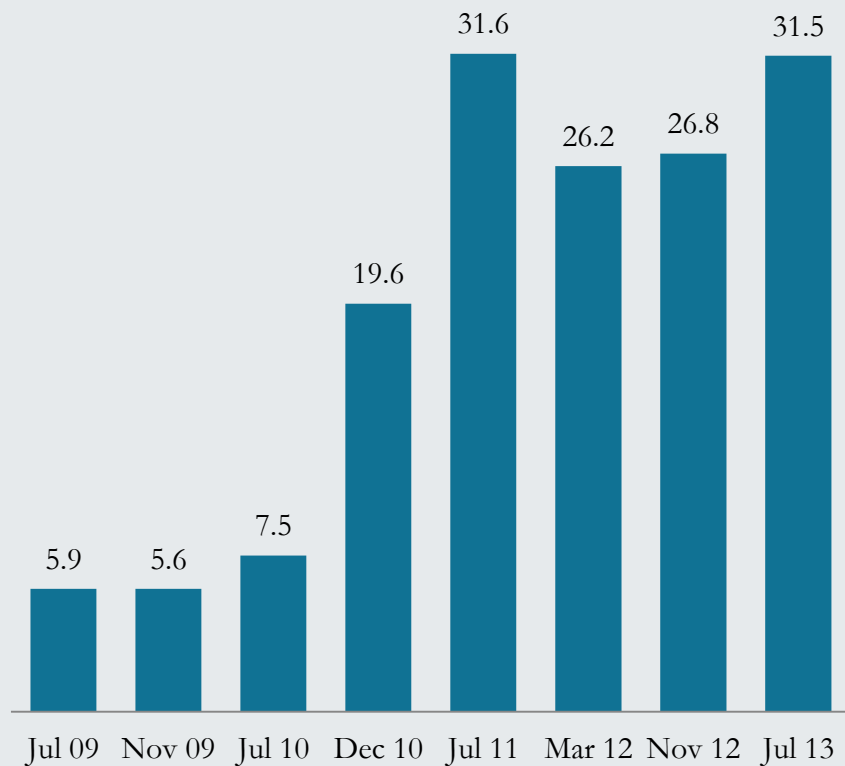


Average per carat sales value

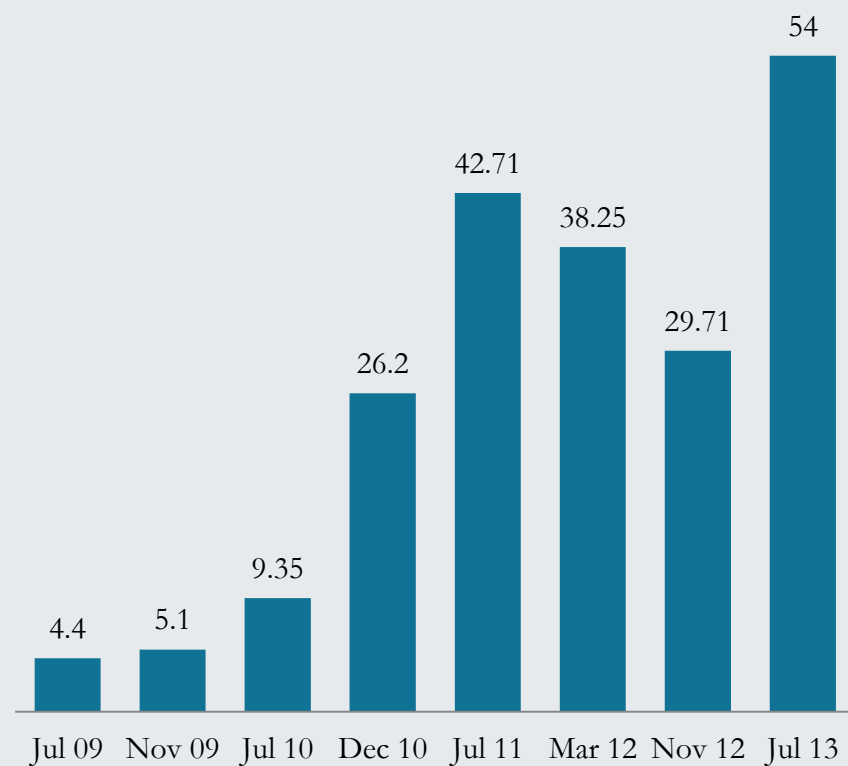


Rough sales (higher quality)

Total sales realised at auction (US\$)

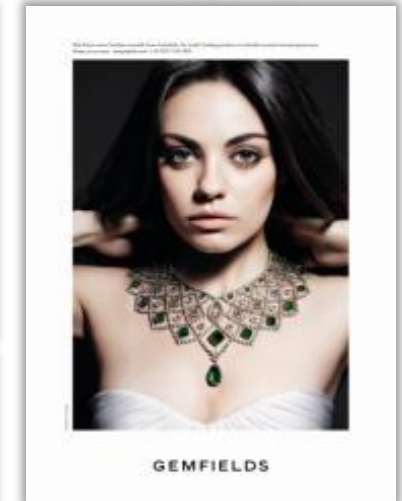


Average per carat sales value



Marketing

- Mila Kunis appointed Global Brand Ambassador (February)
- Announced with new consumer website at Gemfields' Global Launch Event (London, March)
- First advertising campaign captured by Mario Sorrenti (April)
- Gemfields coloured gemstones worn on red carpets at several global premieres
- Advertising initiatives in North America, Europe, UAE, India and Asia including;
 - Mining Indaba (Cape Town, February); Retail Jewellery Awards (April); and IIFA Awards (July) in India
 - Hosted events at The Couture Show (Las Vegas, June) and India, visiting Mumbai, Delhi, Bangalore and Calcutta
 - Gemfields' marketing and PR office opened in New York (September 2012)
- Collaborations with industry leading jewellery designers including Alexandra Mor, Amrapali, Dominic Jones, Monica Vinader, Solange Azagury-Partridge, Shaun Leane, Stephen Webster, Theo Fennel and 'The Gem Palace' of Jaipur.

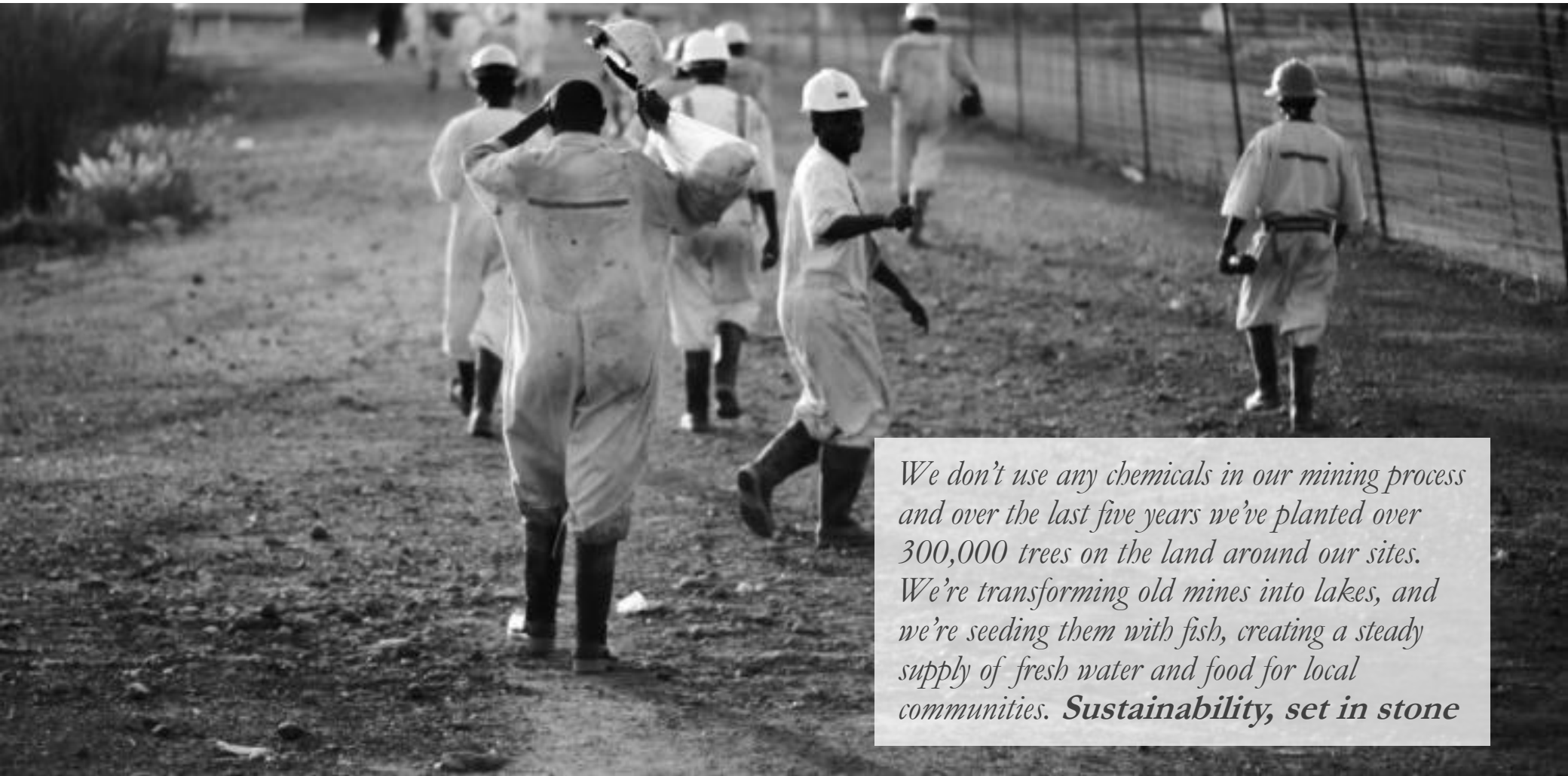


Summary



Looking forward

- Excellent platform established to create the world's leader in the mining, marketing and supply of rare coloured gemstones
- Increase production across emerald, ruby and amethyst operations
- Maiden ruby auction is expected by end of CY H1 2014
- Continue to evaluate further gemstone prospects, including sapphires
- Build on increased level of marketing and promotion for coloured gemstones
- Leverage Fabergé as the recognised “go-to” jeweller for fine to high-end jewellery and coloured gemstones
- Strong cash position and inventory



*We don't use any chemicals in our mining process and over the last five years we've planted over 300,000 trees on the land around our sites. We're transforming old mines into lakes, and we're seeding them with fish, creating a steady supply of fresh water and food for local communities. **Sustainability, set in stone***

Appendix



Company overview

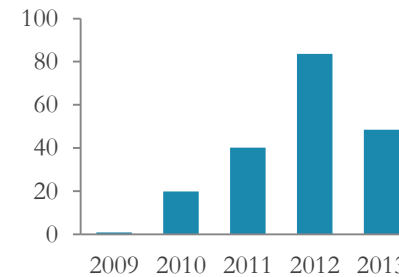
Share price performance since October 2012



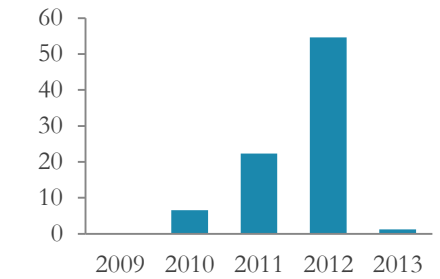
Significant Shareholders (as at 30 September 2013)

The Pallinghurst Resources Fund L.P.	38.61%
Fabergé Conduit Ltd	18.27%
Investec Pallinghurst (Cayman) LP	9.91%
NGPMR (Cayman)LP	8.23%
BlackRock Inc	3.01%
Standard Life Investments Ltd SC	1.94%
Standard Chartered Bank	1.93%

Revenue US\$ million



EBITDA US\$ million



London Listed

AIM: GEM

Current Share Price (02/10/2013)

26p

Issued Shares

540,003,208

Market Capitalisation

£140m

Advisers

Nomad & Joint Broker

Canaccord Genuity

Joint Broker

JP Morgan Cazenove

Auditors

BDO

Financial PR

Tavistock Communications

Directors and Management



Ian Harebottle
Chief Executive Officer



Dev Shetty
Chief Operating Officer



Sean Gilbertson
Executive Director



Janet Blas
Chief Financial Officer



Graham Mascall
Non-Executive Chairman



Finn Behnken
Non-Executive Director



Clive Newall
Non-Executive Director

Rough sales (lower quality)

AUCTION RESULTS (LOWER QUALITY)	MAR '10 AUCTION	MAR '11 AUCTION	NOV '11 AUCTION	JUN '12 AUCTION	APR '13 AUCTION
Dates	11-15 Mar 2010	10-14 Mar 2011	21-25 Nov '11	9-13 Jun '12	15-19 Apr '13
Location	Jaipur, India	Jaipur, India	Jaipur, India	Jaipur, India	Lusaka, Zambia
Type	Lower Quality	Lower Quality	Lower Quality	Lower Quality	Lower Quality
Carats offered*	28.90 million	16.83 million	10.83 million	10.85 million	17.34 million
Carats Sold	22.80 million	12.98 million	9.82 million	3.47 million	6.30 million
No. of companies placing bids	25	44	27	20	25
Average no. of bids per lot	8	14	9	3	6
No. of lots offered	56	35	26	33	28
No. of lots sold	49	34	19	17	23
Percentage of lots sold	88%	97%	73%	52%	82%
Percentage of lots sold by weight	79%	77%	91%	32%	36%
Percentage of lots sold by value	89%	99%	80%	60%	76%
Total sales realised at auction	USD 7.2 million	USD 10.0 million	USD 11.0 million	USD 9.0 million	USD 15.2 million
Average per carat sales value	USD 0.31/carat	USD 0.77/carat	USD 1.12/carat	USD 2.61/carat	USD 2.42/carat

Rough sales (higher quality)

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	JUL '13 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	15-19 Jul '13
Location	London, UK	Johannesburg, SA	London, UK	Johannesburg, SA	Singapore	Singapore	Singapore	Lusaka
Type	Higher Quality	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	0.58 million
Carats Sold	1.36 million	1.09 million	0.80 million	0.75 million	0.74 million	0.69 million	0.90 million	0.58 million
No. of companies placing bids	23	19	37	32	38	29	35	36
Average no. of bids per lot	10	13	18	16	16	11	11	8
No. of lots offered	27	19	27	19	25	23	19	18
No. of lots sold	26	14	24	18	18	20	16	18
Percentage of lots sold	96%	74%	89%	95%	72%	87%	84%	100%
Percentage of lots sold by weight	99.8%	97%	94%	86%	69%	89%	98%	100%
Percentage of lots sold by value	82%	76%	87%	99%	91%	94%	90%	100%
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	USD 31.5 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	USD 54.00/carats

Gemfields and Fabergé

Mining

2012 - 2013

Organic Growth

- Accelerated bulk sampling and ruby production at Montepuez

Dynamic Growth

- Acquisition of strategic gemstone deposits
- Acquisition of additional gemstone deposits

2013 - 2014

Organic Growth

- Increased production at Kagem (new wash-plant and underground mining)
- Bulk sampling at Kagem and other Gemfields licence areas (Alternative – open pit operation)
- Setting up of a trading operation for emeralds and rubies in Zambia and Mozambique
- First ruby auction

Dynamic Growth

- Expansion of Brazilian emerald sourcing operations
- Acquisition of a sapphire deposit
- Acquisition of additional gemstone deposits (e.g. tourmaline)
- Expansion into Colombian emerald sourcing operations

Marketing

2012 - 2013

- Launch of consumer website
- Launch of emerald book
- Initiate development of a ruby book

2013 - 2014

- Launch new “rare coloured gemstones” marketing campaigns for emeralds and rubies in various markets
- Contracting recognised Hollywood “A-list celebrity” to be the “face of Gemfields ethical gemstones”
- Launch Gemfields in China and Hong Kong
- Launch internet sales channel

Gemfields Strategic Goals

Leading the way in coloured gemstone exploration, operational efficiencies, mining ethics and marketing

Provision of a consistent supply of ethically sourced coloured gemstones to the global markets

Consolidation of the coloured gemstone sector and to be recognised as a leading authority in rare coloured gemstones

Support consumer education and access to high quality ethical coloured gemstones

Leverage our inherent competencies so as to derive maximum shareholder value

Fabergé

Cleaned-up and re-established as a pure Fabergé brand

2007

- Ten licences inherited from Unilever in 2007
- Licences covered items such as spectacles, neckties, giftware, collectibles, champagne, jewellery and glassware
- Retraction to one licence (watches) and manufacturing relationship retained with licensee
- Pallinghurst and partners acquired brand from Unilever for US\$38m
- Fabergé name reunited with the Fabergé family after 58 years
- Fabergé Heritage Council established

2008

- Core Fabergé team recruited
- First new Fabergé “Workmaster” since 1917 appointed

2009

- Press preview of new high jewellery collection in Paris in July
- Worldwide re-launch on 9 September 2009 at Goodwood House, England
- Pioneering “Fabergé Global Flagship” at www.faberge.com unveiled with hands-free 24/7 multi-lingual support
- First Fabergé boutique since 1915 - opened on 9 December 2009 in Geneva

2010

- Focussed client events initiated in St Moritz, Gstaad, Singapore, Beijing
- Launch of “Carnet de Bal” collection during “Russian Week” in London in December 2010

2011

- Launch of Fabergé Horlogerie and Constructivist Collections at BaselWorld, Switzerland
- Fabergé stores off Bond Street and in Harrods, London

2012

- Fabergé opens in Lane Crawford in Hong Kong and Madison Avenue in New York



New York



Geneva



London
Harrods



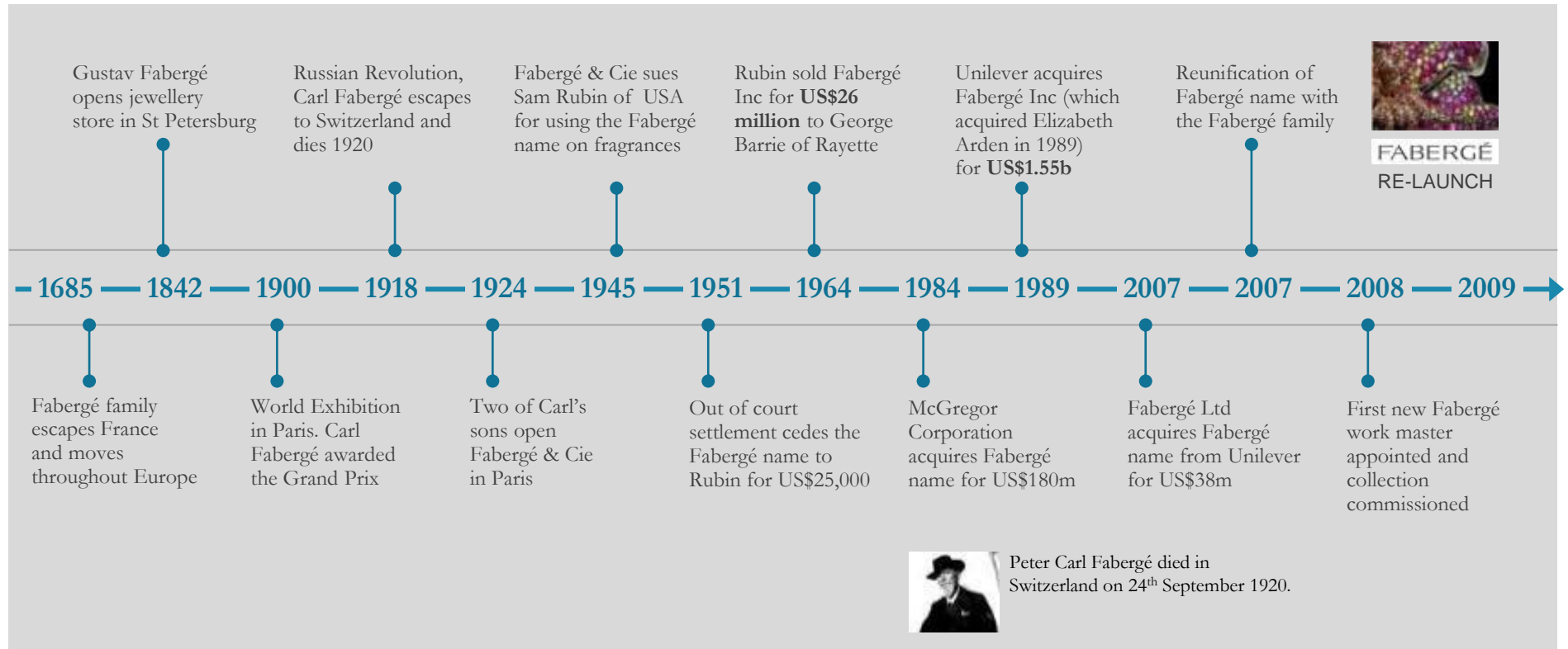
London



Hong Kong

Fabergé

Transformation



Re-launch of global brand with a rich and colourful heritage

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