

Gemfields plc

("Gemfields" or the "Company")

Result of General Meeting

7 January 2013

Gemfields plc (AIM: GEM) is pleased to announce that both of the resolutions proposed at the General Meeting of the Company held at 11.00 a.m. today ("General Meeting"), were duly passed.

Full details of the votes validly cast on each resolution are set out below:

Resolution	Votes in favour	% votes cast	Votes against	% votes cast	Total votes cast	Abstentions
Resolution 1	63,029,622	93.83%	4,141,122	6.17%	67,170,744	15,199,570
Resolution 2	268,389,261	98.48%	4,141,122	1.52%	272,530,383	15,193,570

Ian Harebottle, Chief Executive Officer of Gemfields commented:

"The successful outcome of today's General Meeting concludes the major outstanding conditions precedent for the acquisition of Fabergé and is clearly indicative of the fact that our vision to transform the coloured gemstone sector is well understood and supported by our shareholders.

With Fabergé we now have the opportunity to become increasingly recognised as the leading coloured gemstone company within a far shorter space of time and deliver significant value, growth and diversification opportunities for the Company. This is a milestone moment not only for the Fabergé brand but also the coloured gemstone industry and one that sets the stage for accelerating delivery of our long-standing vision."

On 21 November 2012, Gemfields announced the proposed acquisition (the "Proposed Acquisition") of a 100% interest in Fabergé Limited ("Fabergé"). As detailed in the circular published on 6 December 2012 (the "Circular"), the Proposed Acquisition is conditional on, *inter alia*, (i) the waiver by Independent Shareholders of Pallinghurst Group's obligation to make a mandatory offer under Rule 9 of the Takeover Code as a result of the Proposed Acquisition, (ii) the restructuring of the Company's largest shareholder, Rox, (iii) the approval of the acquisition of Fabergé Shares from persons connected with a Director, and (iv) admission of the Consideration Shares to trading on AIM.

In order to comply with the Takeover Code, Resolution 1, concerning the waiver of the Pallinghurst Group's obligation to make a mandatory offer under Rule 9 of the Takeover Code (the "Whitewash Resolution"), was passed by means of a poll of Independent Shareholders. The Concert Party did not vote on the Whitewash Resolution.

As previously announced, the Rox Shareholders are proposing to take steps so that neither Rox nor its parent, Rox Conduit Limited, will hold any shares directly or indirectly in the Company (such steps are referred to in this announcement as the "Unbundling"). Both Rox and Rox Conduit Limited would

be wound up following the Unbundling. Upon completion of the Unbundling, Pallinghurst, Investec Pallinghurst and NGPMR will all hold Ordinary Shares directly which will mean that, subject to the rules of the Takeover Code, they can vote independently. The Unbundling is a condition precedent to Completion and is expected to complete by 9 January 2013. Immediately following the Unbundling, the Rox Shareholders will make a submission to the Panel to argue that they are no longer acting in concert and should be deemed to be independent. Following the Unbundling, the Existing Relationship Agreement will cease to have effect and Pallinghurst will enter into the New Relationship Agreement.

Subject to the completion of the Unbundling, 214 million new Ordinary Shares will be issued to Fabergé Shareholders pursuant to the merger of Fabergé with Runway SPV, a wholly owned subsidiary of Gemfields (the “Merger”). Application will be made for the 214 million Consideration Shares to be admitted to trading on AIM, each of which will rank *pari passu* with the Company's existing Ordinary Shares and, subject to the Unbundling, it is expected that Admission and completion of the Merger will take place at 8.00 a.m. on or before 28 January 2013. Following Admission, the Company will have a total of 539,843,208 Ordinary Shares in issue, none of which will be held in treasury.

As detailed in the Company’s announcement of 20 December 2012, as a result of there being no Dissenting Shareholders, the aggregate interest of the Pallinghurst Group in Gemfields immediately following Admission will be 267,174,804 Ordinary Shares, representing approximately 49.5% of the Enlarged Issued Share Capital. Similarly, the aggregate interest of the Concert Party in Gemfields immediately following Admission and prior to the Unbundling will be 407,945,094 Ordinary Shares, representing approximately 75.6% of the Enlarged Issued Share Capital. These are the maximum holdings of the Pallinghurst Group and the Concert Party following Admission respectively. After the Unbundling and following Admission, the single largest shareholder in Gemfields will be Pallinghurst with a holding of 258,908,915 Ordinary Shares, representing approximately 48.0% of the Enlarged Issued Share Capital.

Full details of the shareholdings of the constituent members of the Pallinghurst Group and subsequently the Concert Party in the event of there being no Dissenting Shareholders are disclosed in the Circular.

Unless otherwise stated, defined terms in this announcement shall have the same meaning as in the Circular.

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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 a controlling stake in the highly prospective Montepuez ruby deposit in Mozambique and licences in Madagascar including ruby, emerald and sapphire deposits.

In July 2009 Gemfields commenced a formal auction programme for its Zambian emeralds. To date, the Company has held 11 auctions which have generated revenues totalling USD 160.5 million.

Gemfields announced the Proposed Acquisition of Fabergé on 21 November 2012 with a view to creating a globally recognised coloured gemstone champion. Fabergé will provide Gemfields with direct control over a high-end luxury goods platform and a global brand with exceptional heritage. The Proposed Acquisition is expected to be completed on or around 28 January 2013.