

Gemfields PLC
Second Rough Emerald Auction of 2009

9 December 2009

Gemfields PLC (“Gemfields” or “the Company”, Ticker “GEM”) announces the results of its second rough emerald auction for 2009.

Gemfields held its second rough emerald auction for the year between 23 and 27 November 2009. The auction, orchestrated by Gemfields’ Product Director Adrian Banks, saw 1.12 million carats of high quality rough emeralds offered in 19 separate lots. Gemfields set undisclosed reserve prices for each lot in advance of the auction which was attended by more than 20 companies from India. Participation in Gemfields’ auctions is by invitation only.

Each of the two auctions consisted of high quality rough emeralds falling approximately within the best 7% of Gemfields’ production by weight. The results of both auctions are summarised below:

	JULY ‘09 AUCTION	NOVEMBER ‘09 AUCTION
Dates	20-24 July 2009	23-27 November 2009
Carats offered	1.36 million	1.12 million
No. of companies placing bids	23	19
Average no. of bids per lot	10	13
No. of lots offered	27	19
No. of lots sold	26	14
Percentage of lots sold	96%	74%
Percentage of lots sold by weight	99.8%	97.2%
Percentage of lots sold by value	82%	76%
Total sales realised at auction	USD 5.9 million	USD 5.6 million
Average per carat sales value	USD 4.40 per carat	USD 5.10 per carat

Emerald value declines dramatically as quality decreases and achievable prices for rough emerald varies widely from lower-quality to higher-quality material, ranging from USD 0.01 per carat (produced in large volumes) through USD 500 per carat (of which very little material is produced). Since Gemfields has not yet sold any meaningful quantities of lower quality material, it remains difficult to predict with reasonable accuracy the average per carat revenues that will be derived from Gemfields’ overall production profile. Lots in the November auction ranged from approximately USD 1.00 per carat to approximately USD 200.00 per carat.

An auction of lower quality rough emerald and beryl is expected to be held in Jaipur, India, during the first quarter of 2010.

Ian Harebottle, CEO of Gemfields, commented:

“Our November auction demonstrates that Gemfields is delivering on its vision of supplying rough emerald to selected customers on a regular and reliable basis. While the gemstone markets remain relatively weak in the wake of the global financial crisis, it is clear that our marketing and promotional initiatives are working and that the emerald market is gathering momentum. We will continue to work, in conjunction with selected customers, to stimulate demand for emeralds that have followed a transparent and ethical route to market.”

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