

Gemfields plc

("Gemfields" or the "Company")

Update: Proposed Acquisition of Fabergé Limited

20 December 2012

Gemfields plc (AIM: GEM) is pleased to announce that at the general meeting of Fabergé Limited held on 17 December 2012 ("Fabergé General Meeting" and "Fabergé" respectively), Fabergé shareholders approved the merger of Fabergé with Runway SPV, a wholly owned subsidiary of Gemfields (the "Merger").

In addition, Gemfields has been advised that Fabergé did not receive notice of any Fabergé shareholders dissenting to the Merger ("Dissenting Shareholders") and that the period during which Fabergé shareholders may dissent has now ended.

As a result of there being no Dissenting Shareholders, the aggregate interest of the Pallinghurst Group in Gemfields immediately following Admission would be 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 would be 75.6% of the Enlarged Issued Share Capital. These are therefore now 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 would be Pallinghurst at 48.0%.

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 published on 6 December 2012 (the "Circular").

Gemfields' shareholders are reminded that the Gemfields general meeting will be held on 7 January 2013 at 11:00 a.m. (UK time). The Gemfields general meeting follows the Company's annual general meeting convened for 11.00 a.m. (UK time) on 20 December 2012.

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 sapphires 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.