

Gemfields plc

(“Gemfields” or the “Company”)

Results - Lusaka Rough Emerald and Beryl Auction

18 November 2014

Gemfields plc (AIM: GEM) is pleased to announce the results of its auction of predominantly higher quality rough emerald from the Kagem emerald mine, held in Lusaka, Zambia from 13 to 17 November 2014.

Highlights

- Auction revenues of USD 34.9 million, the second highest achieved at any higher quality auction;
- The average realised price was USD 65.89 per carat, a new record for higher quality auctions;
- Of the 0.598 million carats that were offered for sale, 0.530 million carats were sold (88.6%);
- 17 Kagem auctions held since July 2009 have generated USD 311 million in total revenues; and
- Gemfields’ next auction will take place in Singapore in December 2014 and will comprise rough rubies from the Montepuez ruby deposit in Mozambique.

A total of 34 companies bid in what was the second Gemfields auction during the current financial year (ending 30 June 2015). The auction was the sixth to be held in Lusaka since April 2013.

The auction saw 0.598 million carats of higher quality emerald extracted from Kagem placed on offer, with 16 of the 17 lots offered being sold, generating auction revenues of USD 34.9 million, the second highest achieved at higher quality auctions to date.

The auction realised an overall average value of USD 65.89 per carat, a new record for auctions of predominately higher quality material mined at Kagem.

The Company’s 17 auctions of emeralds and beryl mined at Kagem since July 2009 have generated USD 311 million in total revenues.

The results of the four most recent higher quality Kagem auctions are summarised in the table below. Additional historic information regarding both higher and lower quality auctions can be found in the ‘Further Information’ section of the announcement:

AUCTION RESULTS (HIGHER QUALITY)	NOV '12 AUCTION	JUL '13 AUCTION	FEB '14 AUCTION	NOV '14 AUCTION
Dates	29 Oct - 2 Nov 2012	15-19 Jul 2013	21-25 Feb 2014	13-17 Nov 2014
Location	Singapore	Lusaka	Lusaka	Lusaka
Type	Higher Quality	Higher Quality	Higher Quality	Higher Quality
Carats offered	0.93 million	0.58 million	0.84 million	0.60 million
Carats Sold	0.90 million	0.58 million	0.62 million	0.53 million
No. of companies placing bids	35	36	34	34
Average no. of bids per lot	11	8	13	12
No. of lots offered	19	18	17	17
No. of lots sold	16	18	15	16
Percentage of lots sold	84%	100%	88%	94%
Percentage of lots sold by weight	98%	100%	74%	89%
Percentage of lots sold by value	90%	100%	86%	89%
Total sales realised at auction	USD 26.8 million	USD 31.5 million	USD 36.5 million	USD 34.9 million
Average per carat sales value	USD 29.71/carat	USD 54.00/carat	USD 59.31/carat	USD 65.89/carat

The specific auction mix and the exact quality of the lots offered at each auction vary in characteristics such as size, colour and clarity on account of mined production and market demand. Each auction is thus made up of somewhat differing overall quality compositions.

Gemfields' next auction will take place in Singapore in December 2014 and will comprise rough rubies from the Montepuez ruby deposit in Mozambique.

Ian Harebottle, CEO of Gemfields, commented:

"Gemfields is delighted to see the continued enthusiasm for coloured gemstones so clearly reflected in our latest auction results. We've set another record for per carat prices as is evidenced by the 11% increase achieved versus our last higher quality auction, and have now completed six successful auctions in Zambia, all during the last 20 months.

Zambian emeralds are now very well established and highly sought after in the international market, playing an increasingly prominent role for many of the world's leading jewellery houses.

We will continue to seek a wider client base internationally, including among our new audience of rough ruby buying clients, and look forward to our ruby auction in Singapore next month which we hope will deliver a similarly pleasing outcome."

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Notes to Editors:

Gemfields plc is the world's leading supplier of responsibly sourced coloured gemstones and is listed on the AIM market of the London Stock Exchange (ticker: GEM) where it is a constituent of the AIM50 index.

In July 2009, Gemfields commenced a formal auction programme for Zambian emeralds mined at the Kagem emerald mine. To date, the Company has held seventeen auctions of emerald and beryl produced at Kagem and which have generated revenues totalling USD 311 million. The Company has also held two traded emerald auctions (of gems not obtained directly from the Company's own mining operations) which generated revenues of USD 22.0 million.

The Company also owns a 75% stake in the highly prospective Montepuez ruby deposit in Mozambique as well as licences in Madagascar including ruby, emerald and sapphire deposits. In June 2014, Gemfields held its first auction of rough ruby and corundum produced at the Montepuez ruby deposit, generating revenues of USD 33.5 million. In addition, Gemfields holds a 50% interest in the Kariba amethyst mine in Zambia.

Gemfields acquired the Fabergé brand in January 2013 to create a globally recognised coloured gemstone champion. Fabergé provides Gemfields with direct control over a high-end luxury goods platform and a global brand with exceptional heritage.

Further Information:

The results of all ten higher quality Kagem auctions held to date are summarised in the two tables below:

AUCTION RESULTS (HIGHER QUALITY) Table 1 of 2	JUL '09 AUCTION	NOV '09 AUCTION	JUL '10 AUCTION	DEC '10 AUCTION	JUL '11 AUCTION	MAR '12 AUCTION
Dates	20-24 Jul 2009	23-27 Nov 2009	19-23 Jul 2010	6-10 Dec 2010	11-15 Jul 2011	19-23 Mar 2012
Location	London, UK	Johannesburg, SA	London, UK	Johannesburg, SA	Singapore	Singapore
Type	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
Carats Sold	1.36 million	1.09 million	0.80 million	0.75 million	0.74 million	0.69 million
No. of companies placing bids	23	19	37	32	38	29
Average no. of bids per lot	10	13	18	16	16	11
No. of lots offered	27	19	27	19	25	23
No. of lots sold	26	14	24	18	18	20
Percentage of lots sold	96%	74%	89%	95%	72%	87%
Percentage of lots sold by weight	99.8%	97%	94%	86%	69%	89%
Percentage of lots sold by value	82%	76%	87%	99%	91%	94%
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
Average per carat sales value	USD 4.40/carat	USD 5.10/carat	USD 9.35/carat	USD 26.20/carat	USD 42.71/carat	USD 38.25/carat

AUCTION RESULTS (HIGHER QUALITY) Table 2 of 2	NOV '12 AUCTION	JUL '13 AUCTION	FEB '14 AUCTION	NOV '14 AUCTION
Dates	29 Oct - 2 Nov 2012	15-19 Jul 2013	21-25 Feb 2014	13-17 Nov 2014
Location	Singapore	Lusaka	Lusaka	Lusaka
Type	Higher Quality	Higher Quality	Higher Quality	Higher Quality
Carats offered	0.93 million	0.58 million	0.84 million	0.60 million
Carats Sold	0.90 million	0.58 million	0.62 million	0.53 million
No. of companies placing bids	35	36	34	34
Average no. of bids per lot	11	8	13	12
No. of lots offered	19	18	17	17
No. of lots sold	16	18	15	16
Percentage of lots sold	84%	100%	88%	94%
Percentage of lots sold by weight	98%	100%	74%	89%
Percentage of lots sold by value	90%	100%	86%	89%
Total sales realised at auction	USD 26.8 million	USD 31.5 million	USD 36.5 million	USD 34.9 million
Average per carat sales value	USD 29.71/carat	USD 54.00/carat	USD 59.31/carat	USD 65.89/carat

The results of all seven lower quality Kagem auctions held to date are summarised in the two tables below:

AUCTION RESULTS (LOWER QUALITY) Table 1 of 2	MAR '10 AUCTION	MAR '11 AUCTION	NOV '11 AUCTION	JUN '12 AUCTION	APR '13 AUCTION	NOV '13 AUCTION
Dates	11-15 Mar 2010	10-14 Mar 2011	21-25 Nov 2011	9-13 Jun 2012	15-19 Apr 2013	11-15 Nov 2013
Location	Jaipur, India	Jaipur, India	Jaipur, India	Jaipur, India	Lusaka, Zambia	Lusaka, Zambia
Type	Lower Quality	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	5.62 million
Carats Sold	22.80 million	12.98 million	9.82 million	3.47 million	6.30 million	4.94 million
No. of companies placing bids	25	44	27	20	25	20
Average no. of bids per lot	8	14	9	3	6	7
No. of lots offered	56	35	26	33	28	21
No. of lots sold	49	34	19	17	23	19
Percentage of lots sold	88%	97%	73%	52%	82%	90%
Percentage of lots sold by weight	79%	77%	91%	32%	36%	88%
Percentage of lots sold by value	89%	99%	80%	60%	76%	91%
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	USD 16.4 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	USD 3.32/carat

* A larger volume of material was placed on offer in March 2010 following Gemfields extensive inventory building exercise during 2008 and 2009.

AUCTION RESULTS (LOWER QUALITY) Table 2 of 2	AUG '14 AUCTION
Dates	5-8 Aug 2014
Location	Lusaka, Zambia
Type	Lower Quality
Carats offered	12.11 million
Carats Sold	11.58 million
No. of companies placing bids	21
Average no. of bids per lot	7
No. of lots offered	21
No. of lots sold	17
Percentage of lots sold	81%
Percentage of lots sold by weight	96%
Percentage of lots sold by value	88%
Total sales realised at auction	USD 15.5 million
Average per carat sales value	USD 1.34/carat

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