

## **Gemfields plc**

("Gemfields" or the "Company")

### **Completion of acquisition of additional ruby licences in Mozambique**

**15 December 2014**

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Further to the announcement made on 7 December 2012, Gemfields plc, (AIM: GEM) is pleased to announce the completion of its acquisition of controlling interests in two additional ruby deposits in the Montepuez district of the Cabo Delgado province in Mozambique (the "Megaruma Licences").

The conditions of the acquisition agreement have now been satisfied and the licences, valid for an initial period of 25 years, were formally issued by the Mozambican government on 22 September 2014 and 12 November 2014 respectively to a new company, Megaruma Mining Limitada ("Megaruma"), in which Gemfields is a 75% shareholder. The two licences, which do not border on one another, each share a boundary with Gemfields' existing 75% owned Montepuez ruby deposit and cover approximately 19,000 hectares and 15,000 hectares respectively.

The Megaruma Licences are expected to provide a platform, alongside the Montepuez ruby deposit, for the expansion and development of Gemfields' Mozambique ruby operations.

The total consideration payable to the vendor, EME Investimentos S.A., relating to the acquisition of the licences is USD 3.5 million, the bulk of which will now be settled by Gemfields. The vendor holds 25% in the new company, Megaruma.

Ian Harebottle, CEO of Gemfields, commented:

*"We are delighted to announce the completion of this transaction, which encapsulates our great confidence in future global demand for Mozambican rubies, just as our stellar Singapore auction results did last week, and our belief in the significance of the ruby deposits in this area. We look forward to working with all our stakeholders in Mozambique in creating the world's preeminent ruby supply source".*

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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. Gemfields' two auctions of rough ruby and corundum from Montepuez have generated revenues of USD 77 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.

ENDS.