

Gemfields plc

(“Gemfields” or the “Company”)

Results - Lusaka Rough Emerald, Beryl and Amethyst Auction

2 March 2015

Gemfields plc (AIM: GEM) is pleased to announce the results of its auction of predominantly lower quality rough emerald and beryl from the Kagem emerald mine, held in Lusaka, Zambia from 24 to 27 February 2015. The auction also included higher quality amethyst from Kariba Minerals Ltd, in which Gemfields has a 50% interest.

Highlights

- Emerald and beryl auction revenues of USD 14.5 million;
 - The average realised price was USD 3.72 per carat, a new record for lower quality auctions;
 - Of the 10.1 million carats that were offered for sale, 3.9 million carats were sold (39%); and
 - 18 Kagem auctions held since July 2009 have generated USD 325 million in total revenues.
- Amethyst auction revenues of USD 0.45 million;
 - The average realised price was 1.77 US cents per carat; and
 - Of the 27.7 million carats offered for sale, 25.2 million carats were sold (91%).
- Gemfields’ next auction will take place in Jaipur at the end of March 2015 and will comprise predominantly lower quality rough rubies and corundum from the Montepuez ruby deposit in Mozambique.

Emerald and Beryl Auction

A total of 21 companies bid in what was the third Gemfields auction of Kagem emeralds during the current financial year (ending 30 June 2015). The auction was the seventh to be held in Lusaka, a practice which commenced in April 2013.

The auction saw 10.1 million carats of lower quality emerald and beryl extracted from Kagem placed on offer, with 19 of the 26 lots offered being sold, generating auction revenues of USD 14.5 million.

The auction realised an overall average value of USD 3.72 per carat, a new record for auctions of predominately lower quality material mined at Kagem.

The Company’s 18 auctions of emeralds and beryl mined at Kagem since July 2009 have generated USD 325 million in total revenues.

The results of the four most recent lower 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 this announcement:

AUCTION RESULTS (LOWER QUALITY)	APR '13 AUCTION	NOV '13 AUCTION	AUG '14 AUCTION	FEB '15 AUCTION
Dates	15-19 Apr 2013	11-15 Nov 2013	5-8 Aug 2014	24-27 Feb 2015
Location	Lusaka, Zambia	Lusaka, Zambia	Lusaka, Zambia	Lusaka, Zambia
Type	Lower Quality	Lower Quality	Lower Quality	Lower Quality
Carats offered	17.34 million	5.62 million	12.11 million	10.1 million
Carats Sold	6.30 million	4.94 million	11.58 million	3.9 million
No. of companies placing bids	25	20	21	21
Average no. of bids per lot	6	7	7	5
No. of lots offered	28	21	21	26
No. of lots sold	23	19	17	19
Percentage of lots sold	82%	90%	81%	73%
Percentage of lots sold by weight	36%	88%	96%	39%
Percentage of lots sold by value	76%	91%	88%	88%
Total sales realised at auction	USD 15.2 million	USD 16.4 million	USD 15.5 million	USD 14.5 million
Average per carat sales value	USD 2.42/carats	USD 3.32/carats	USD 1.34/carats	USD 3.72/carats

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.

Amethyst Auction

This auction of rough amethyst from Kariba Minerals Limited (in which Gemfields has a 50% interest) was the first to be held within Zambia. Gemfields has hosted only one prior rough amethyst auction which took place in Jaipur in March 2011 and was used to test demand for amethyst in that market.

The amethyst auction saw 27.7 million carats of higher quality amethyst extracted from Kariba placed on offer, with 13 of the 14 lots offered being sold, generating auction revenues of USD 0.45 million. The amethyst auction realised an overall average value of 1.77 US cents per carat.

Ian Harebottle, CEO of Gemfields, commented:

"We've set another record for realised per carat prices at an auction of lower quality emerald and beryl, and have now completed seven successful auctions in Zambia, all during the last 22 months.

It is pleasing to see a total of 88% of the total value of the lots placed on offer being bought and Zambian emeralds continuing to enjoy such firm demand. Gemfields is increasingly becoming the supplier of choice for many of the world's leading polishing and jewellery-manufacturing houses.

We look forward to our auction of lower quality Montepuez ruby in Jaipur later this month where we believe the market is as excited as we are to be a part of this first ever offering of such a considerable volume of non-domestic ruby rough in India."

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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 eighteen auctions of emerald and beryl produced at Kagem and which have generated revenues totalling USD 325 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 December 2014, Gemfields held its second auction of rough ruby and corundum produced at the Montepuez ruby deposit, generating revenues of USD 43.3 million. The two ruby and corundum auctions have generated USD 76.8 million in aggregate revenues.

In addition, Gemfields holds a 50% interest in the Kariba amethyst mine in Zambia and interests in sixteen newly acquired exploration licences in Sri Lanka to progress opportunities in the Sri Lankan sapphire and gemstone sector.

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/carats	USD 5.10/carats	USD 9.35/carats	USD 26.20/carats	USD 42.71/carats	USD 38.25/carats

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/carats	USD 54.00/carats	USD 59.31/carats	USD 65.89/carats

The results of all eight 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/carats	USD 0.77/carats	USD 1.12/carats	USD 2.61/carats	USD 2.42/carats	USD 3.32/carats

* 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	FEB '15 AUCTION
Dates	5-8 Aug 2014	24-27 Feb 2015
Location	Lusaka, Zambia	Lusaka, Zambia
Type	Lower Quality	Lower Quality
Carats offered	12.11 million	10.1 million
Carats Sold	11.58 million	3.9 million
No. of companies placing bids	21	21
Average no. of bids per lot	7	5
No. of lots offered	21	26
No. of lots sold	17	19
Percentage of lots sold	81%	73%
Percentage of lots sold by weight	96%	39%
Percentage of lots sold by value	88%	88%
Total sales realised at auction	USD 15.5 million	USD 14.5 million
Average per carat sales value	USD 1.34/carats	USD 3.72/carats

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