

Gemfields plc

("Gemfields" or the "Company")

Update: Acquisition of Faberge

25 January 2013

Further to the Company's announcement of 7 January 2013, Gemfields plc (AIM: GEM) is pleased to announce that all the conditions for the merger of Fabergé Limited with Runway SPV, a wholly owned subsidiary of Gemfields (the "Merger") have been satisfied and that the Merger is expected to take effect on 28 January 2013.

Pursuant to the terms of the Merger, Gemfields has issued 213,999,999 new ordinary shares (the "Consideration Shares"). Application has been made for the Consideration Shares to be admitted to trading on AIM, each of which will rank pari passu with the Company's existing ordinary shares, and it is expected that admission will take place at 8.00 a.m. on 28 January 2013 ("Admission").

Following Admission, Gemfields is expected to have 539,929,874 ordinary shares in issue, none of which will be held in treasury. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FSA's Disclosure and Transparency Rules.

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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 sapphire 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.

Gemfields recently acquired the Fabergé brand with a view to creating 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.