

## Gemfields plc

("Gemfields" or the "Company")

### Results - Lusaka Rough Emerald and Beryl Auction

26 February 2014

Gemfields plc (AIM: GEM) is pleased to announce the results of its auction of predominantly higher quality rough emerald and beryl held in Lusaka, Zambia from 21 to 25 February 2014.

#### Highlights

- Auction revenues of USD 36.5 million, a record for any Gemfields auction;
- Average price of USD 59.31 per carat, a 10% increase on the previous Kagem auction record;
- Of the 0.84 million carats offered, 0.62 million carats were sold;
- Fifteen Kagem auctions held since July 2009 have generated USD 260 million in total revenues;
- Financial year-to-date auction revenues (including one auction of traded material) stand at USD 92.9 million; and
- Including a direct sale of the two lowest grades of beryl, total revenues in the financial year-to-date from rough emerald and beryl sales have reached USD 96.4 million, marking a record revenue year for Gemfields.

A total of 34 companies attended and bid in what was the third auction during the current financial year of gemstones mined by Gemfields from the Kagem emerald mine in Zambia.

The auction saw 0.84 million carats of emerald and beryl extracted from Kagem placed on offer, with 15 of the 17 lots offered being sold, generating record auction revenues of USD 36.5 million.

The auction yielded an overall average value of USD 59.31 per carat, a 10% increase on the prior record for Kagem auctions. Market conditions for higher qualities remain robust, yielding solid increases in quality-for-quality per carat prices.

Aggregate auction revenues for the financial year-to-date (which ends 30 June 2014) - and inclusive of the Jaipur auction of traded emeralds - stand at USD 92.9 million. Adding a direct sale of the two lowest grades of beryl, total revenues from the sale of rough emerald and beryl have reached USD 96.4 million. As such, Gemfields has exceeded its record annual revenue figure of USD 83.7 million, set in the year ending 30 June 2012. Two further auctions are presently scheduled to take place before the end of the financial year including the inaugural auction for rough rubies and corundum from the Montepuez ruby deposit in Mozambique.

The Company's fifteen auctions of emeralds and beryl mined at Kagem since July 2009 have generated USD 260 million in aggregate revenues. In addition, the Company ran an auction of traded rough emeralds (emeralds obtained by Gemfields in the open market from various sources and excluding emerald or beryl mined, processed, graded and exported by, or belonging to, Kagem Mining Limited) in Jaipur, India in September 2013, yielding gross auction revenues of USD 8.5 million.

The results of the nine 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 '09	23-27 Nov '09	19-23 Jul '10	6-10 Dec '10	11-15 Jul '11	19-23 Mar '12
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
Dates	29 Oct - 2 Nov '12	15-19 Jul '13	21-25 Feb '14
Location	Singapore	Lusaka	Lusaka
Type	Higher Quality	Higher Quality	Higher Quality
Carats offered	0.93 million	0.58 million	0.84 million
Carats Sold	0.90 million	0.58 million	0.62 million
No. of companies placing bids	35	36	34
Average no. of bids per lot	11	8	13
No. of lots offered	19	18	17
No. of lots sold	16	18	15
Percentage of lots sold	84%	100%	88%
Percentage of lots sold by weight	98%	100%	74%
Percentage of lots sold by value	90%	100%	86%
Total sales realised at auction	USD 26.8 million	USD 31.5 million	USD 36.5 million
Average per carat sales value	USD 29.71/carat	USD 54.00/carat	USD 59.31/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.

For ease of reference, the results of the six lower quality Kagem auctions held to date are summarised below:

AUCTION RESULTS (LOWER QUALITY)	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 '11	9-13 Jun '12	15-19 Apr '13	11-15 Nov '13
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.

Ian Harebottle, CEO of Gemfields, commented:

*"Gemfields has now completed four successful auctions in Zambia, all during the last eleven months. We have achieved two new records – the highest aggregate revenue and the highest average per carat price.*

*Our commitment to our vision for precious coloured gemstones, our operational investments, the acquisition of Fabergé and our ever expanding international marketing endeavours are clearly furthering the momentum we have built during the last five years. Zambia's role in the global emerald market has never been more important, with Zambian emeralds now favoured by many as the emerald of choice.*

*Taking into account the four auctions held thus far this financial year, being one auction of traded material and three of material mined at our Kagem mine, Gemfields' year-to-date auction revenues now stand at USD 92.9 million, with total sales from rough emerald and beryl having reached USD 96.4 million. This means we have, with four months and two further auctions remaining in this financial year (including our inaugural auction of rough rubies and corundum from Montepuez in Mozambique), already beaten Gemfields' best ever revenue year."*

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**Notes to Editors:**

Gemfields plc is the leading coloured 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.

In July 2009 Gemfields commenced a formal auction programme for Zambian emeralds mined at Kagem. To date, the Company has held 15 auctions which have generated revenues totalling USD 260 million.

The Company also owns a 75% stake in the highly prospective Montepuez ruby deposit in Mozambique and licences in Madagascar including ruby, emerald and sapphire deposits.

Gemfields acquired the Fabergé brand in January 2013 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.