

Gemfields plc

("Gemfields" or the "Company")

Results - Singapore Rough Emerald Auction

27 March 2012

Gemfields plc (AIM: "GEM") is pleased to announce the results of the auction of (predominantly medium to higher quality) rough emeralds held in Singapore from 19-23 March 2012.

Highlights

- Robust auction revenues of USD 26.2 million
- Results reflect a significant increase of 46% over the 15 month period in achievable quality-for-quality per carat prices
- Third auction of the current financial year generating aggregate sales of USD 68.9 million
- Nine auctions held since July 2009 generating revenues totalling USD 124.7 million
- Auction results underscore the continued strong growth in global demand for Gemfields' ethical Zambian emeralds across all quality grades
- Next auction of (predominantly lower quality) rough emeralds scheduled for June 2012 in Jaipur

Gemfields held an auction of (predominantly medium to higher quality) rough emeralds in Singapore from 19 to 23 March 2012. Thirty two companies attended the auction, with twenty nine of these placing bids. The auction saw 0.77 million carats of emeralds mined by Gemfields placed on offer, with 0.69 million carats being sold and generating auction sales of USD 26.2 million.

While the Singapore auction of July 2011, which comprised of generally superior quality material overall, yielded USD 42.71 per carat, the overall quality characteristics of the emeralds placed on offer at last week's auction were more similar to those offered in the December 2010 auction in Johannesburg. The resultant average prices of USD 38.25 per carat achieved at the most recent auction thus demonstrates a quality-for-quality increase of some 46% over the 15 month period and provides a clear indication of robust growth in both achievable prices and demand for emeralds in general, and Gemfields ethical emeralds in particular.

Last week's auction was the third auction of the current financial year, ending 30 June 2012. The three auctions, one of which was for lower quality material, have generated aggregate sales of USD 68.9 million while the nine auctions held since July 2009 have generated USD 124.7 million in aggregate revenues.

Gemfields' next auction of (predominantly lower quality) rough emeralds is scheduled for June 2012 in Jaipur. The results of the six higher quality rough emerald auctions held to date are summarised below:

AUCTION RESULTS (HIGHER QUALITY)	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

The Singapore auction was again used as a platform to further test levels of demand for rough emerald and beryl made available from other sources of supply (i.e. not certified as having been mined by Gemfields). None of this material is included in the data presented above. The most recent trial comprised of other rough emerald from Zambia and approximately half of this material (by value) was sold. The present net income accruing to Gemfields from traded material remains immaterial in the context of Gemfields' own production, and the Company will continue to refine and evolve the opportunities of selling rough from other sources of supply.

For ease of reference, the results of the three lower quality rough emerald and beryl auctions held to date are summarised below:

AUCTION RESULTS (LOWER QUALITY)	MARCH '10 AUCTION	MARCH '11 AUCTION	NOVEMBER '11 AUCTION
Dates	11-15 March 2010	10-14 March 2011	21-25 November 2011
Location	Jaipur, India	Jaipur, India	Jaipur, India
Type	Lower Quality	Lower Quality	Lower Quality
Carats offered	28.90 million	16.83 million	10.83 million
Carats Sold	22.80 million	12.98 million	9.82 million
No. of companies placing bids	25	44	27
Average no. of bids per lot	8	14	9
No. of lots offered	56	35	26
No. of lots sold	49	34	19
Percentage of lots sold	88%	97%	73%
Percentage of lots sold by weight	78.9%	77%	91%
Percentage of lots sold by value	89%	99%	80%
Total sales realised at auction	USD 7.2 million	USD 9.9 million	USD 11.0 million
Average per carat sales value	USD 0.31 per carat	USD 0.77 per carat	USD 1.12 per carat

Note: 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 is delighted to announce another set of very encouraging auction results, testament to the success of our marketing initiatives and the consistency of the emeralds produced at our Kagem mine. Today's results demonstrate that Gemfields is consistently delivering on its integrated approach of combining industry-leading performance in three core areas: mining, the consistent supply of good quality well graded ethical gemstones, and pioneering coloured gemstone marketing and promotion. We have achieved record auction revenues for the financial year and will look to use this positive momentum to deliver continued growth in each of these core areas into the foreseeable future."

Enquiries:

Gemfields
Dev Shetty, CFO

dev.shetty@gemfields.co.uk
+44 (0)20 7518 3402

Canaccord Genuity Limited
Nominated Adviser and Joint Broker to Gemfields
Tarica Mpinga/Andrew Chubb

+44 (0)20 7050 6500

JP Morgan Cazenove
Neil Passmore

+44 (0)20 7155 8630

Tavistock Communications
Jos Simson/Lydia Eades

+44 (0)20 7920 3150

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 controlling stakes in a highly prospective ruby deposit in Mozambique and licences in Madagascar including ruby, emerald and sapphires deposits.

In July 2009 Gemfields commenced a formal auction programme for its Zambian emeralds. To date, the Company has held nine auctions which have generated revenues totalling USD 124.7 million.