GEMFIELDS

GROUP LIMITED

Incorporated in Guernsey. Guernsey registration number: 47656
South African external company registration number: 2009/012636/10
Share code on JSE:GML / AIM:GEM
ISIN: GG00BG0KTL52 | LEI: 21380017GAVXTCYS5R31
("Gemfields" or the "Group" or the "Company")

Strategic Update

LONDON, 23 DECEMBER 2024

Following Gemfields' most recent emerald and ruby auctions (the results of which were published on 22 November and 12 December 2024 respectively), the Group announces that it has taken, and will continue to undertake, actions to cut costs and streamline business activity amid four key challenges being encountered concurrently, while maintaining focus on the Group's principal growth project, completion of the second ruby processing plant at Montepuez Ruby Mining Limitada in Mozambique ("MRM").

Strategic Update

Gemfields' most recent emerald and ruby auctions have earned revenues of USD 16.1 million and USD 46.2 million respectively, as previously announced. These revenues are materially lower than the company has experienced in recent years due to three principal factors:

a) disturbed emerald market dynamics arising from an oversupply of Zambian emeralds at discounted prices by a competing Zambian emerald producer during the second half of 2024, compounded by conflicting auction dates and giving rise to a poor Zambian emerald market outlook during the first half of 2025;
b) lower production of premium rubies at MRM; and
c) a weaker luxury and gemstone market generally given economic difficulties in China and geopolitical turbulence.

The fourth challenge the Company faces relates to the ongoing civil unrest and associated supply chain and logistics interruptions in Mozambique as a result of the contested general election. While mining operations at MRM have thus far remained unaffected, the overall operating risk profile has increased with the Company's priority remaining the safety and security of Gemfields' employees, contractors and community members.

Gemfields regards the construction of the second ruby processing plant at MRM as a critical project to increase premium ruby production and deliver additional revenue for the Group by the end of 2025. Construction presently remains materially on budget and on schedule for completion by the end of H1 2025 and Gemfields is working closely with its partners to deliver this project as planned.

As a result of these four challenges, each of which management view as being transient, Gemfields is enacting Group-wide actions to cut costs and streamline the business. These actions include:

i. suspending, for a period expected to be up to 6 months, all mining at Kagem Mining Limited ("Kagem"), the emerald mine in Zambia which is 75% owned by Gemfields. Instead, Kagem will focus on processing ore from Kagem's significant ore stockpile utilising the recently upgraded processing plant;
ii. halting all non-essential spend and suspending planned capital expenditure at its ruby development assets in northern Mozambique, namely Megaruma Mining Limitada ("MML") and Campos De Joia Limitada ("CDJ"). Eastern Ruby Mining ("ERM") will continue core developmental work but will delay the capital expenditure associated with its originally planned processing plant;
iii. halting operations at Nairoto Resources Limitada ("NRL"), the gold project situated north of MRM and seeking potential buyers. Interested parties should contact preciousmetals@gemfields.com;
iv. assessing strategic options in respect of Fabergé, the iconic luxury-brand owned by the Gemfields Group; and
v. targeted rationalisation of operations and businesses across the Group.

Gemfields continues to closely monitor its working capital as it navigates the prevailing challenges. As stated in the 2024 Interim Report, management remains prepared to take additional cost reduction measures and pursue external funding options as may be required.

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Further information on Gemfields Group Limited can be found at:

GEMFIELDSGROUP.COM

To join our investor mailing list, please contact us on:

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This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) no. 596/2014 which forms part of domestic UK law pursuant to the European Union (withdrawal) act 2018 ("MAR").

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ADDITIONAL INFORMATION ON GEMFIELDS

Gemfields is a world-leading responsible miner and marketer of coloured gemstones. Gemfields is the operator and 75% owner of both the Kagem emerald mine in Zambia (believed to be the world's single largest producing emerald mine) and the Montepuez ruby mine in Mozambique (one of the most significant recently discovered ruby deposits in the world). In addition, Gemfields also holds controlling interests in various other gemstone mining and prospecting licences in Zambia, Mozambique, Ethiopia and Madagascar.

Gemfields' outright ownership of Fabergé - an iconic and prestigious brand of exceptional heritage - enables Gemfields to optimise positioning, perception and consumer awareness of coloured gemstones through Fabergé designs, advancing the wider group's "mine and market" vision.

Gemfields has developed a proprietary grading system and a pioneering auction platform to provide a consistent supply of coloured gemstones to downstream markets, a key component of Gemfields' business model that has played an important role in the growth of the global coloured gemstone sector.

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KAGEM MINING LINKEDIN

MONTEPUEZ RUBY MINING LINKEDIN