

## Gemfields plc

("Gemfields" or the "Company")

### Results of Jaipur Rough Emerald and Beryl Auction

30 November 2011

Gemfields plc (AIM: "GEM") is pleased to announce the results of its auction of (predominantly lower quality) rough emeralds and beryl held in Jaipur, India, from 21-25 November 2011.

#### Highlights

- Record revenues of USD 11.0 million for an auction of 9.8 million carats of lower quality rough mined by Gemfields at the Kagem mine (versus USD 9.9 million for 12.98 million carats from the previous lower quality emerald auction in March 2011)
- Five months into the current financial year (ending 30 June 2012), Gemfields has, from two auctions, already exceeded the prior financial year's total annual revenues (of USD 40.2 million) by USD 2.4 million
- A 46% increase (from USD 0.77 per carat to USD 1.12 per carat) in realised quality-for-quality per carat prices since March 2011
- Eight auctions held since July 2009 have generated revenues totalling USD 98.5 million
- Auction results underscore continuing robust global demand for Gemfields' ethical Zambian emeralds
- Next auction of (predominantly higher quality) rough emeralds is scheduled for March 2012

Gemfields held an auction of (predominantly lower quality) rough emeralds in Jaipur, India, from 21 to 25 November 2011. Thirty eight companies were invited to attend the auction, with twenty seven of these placing bids for the material on offer. The auction saw 10.8 million carats of rough emeralds mined by Gemfields placed on offer, with 9.8 million carats being sold, generating record sales of USD 11.0 million for an auction of rough emeralds of this quality bracket.

When compared with the last lower quality auction held in March 2011, average quality-for-quality per carat prices showed a 46% increase from USD 0.77 per carat to USD 1.12 per carat. This further underscores the robust growth in both prices and demand for emeralds in general, and for Gemfields' ethical emeralds in particular.

This was the first auction of lower quality material during the current financial year, the only other auction in this financial year having been the higher quality auction held in Singapore in July 2011. These two auctions have generated combined sales of USD 42.6 million, already exceeding last year's total annual revenues of USD 40.2 million by USD 2.4 million. The eight auctions held since July 2009 have generated USD 98.5 million in aggregate revenues.

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	<b>21-25 November 2011</b>
Location	Jaipur, India	Jaipur, India	<b>Jaipur, India</b>
Type	Lower Quality	Lower Quality	<b>Lower Quality</b>
Carats offered	28.90 million	16.83 million	<b>10.83 million</b>
Carats Sold	22.80 million	12.98 million	<b>9.82 million</b>
No. of companies placing bids	25	44	<b>27</b>
Average no. of bids per lot	8	14	<b>9</b>
No. of lots offered	56	35	<b>26</b>
No. of lots sold	49	34	<b>19</b>
Percentage of lots sold	88%	97%	<b>73%</b>
Percentage of lots sold by weight	78.9%	77%	<b>91%</b>

Percentage of lots sold by value	89%	99%	<b>80%</b>
Total sales realised at auction	USD 7.2 million	USD 9.9 million	<b>USD 11.0 million</b>
Average per carat sales value	USD 0.31 per carat	USD 0.77 per carat	<b>USD 1.12 per carat</b>

Note: a larger volume of material was placed on offer in March 2010 following Gemfields extensive inventory building exercise during 2008 and 2009.

The Jaipur auction was also used as a platform to further trial the sale of rough emerald and beryl acquired or made available to the market from other sources of supply (i.e. not certified as having been mined by Gemfields, and therefore referred to as “Traded Material”), a trial which began at the Singapore auction in July 2011. None of this material is included in the table or data presented above. The Traded Material offered at the Jaipur auction comprised of other rough emerald and beryl from both Brazil and Zambia, and bids in respect of these goods were accepted until 28 November 2011. Interest levels in, and sales volumes of, Traded Material increased markedly when compared with the July 2011 Singapore auction. However, while Traded Material is an important strategic objective of the Company in the longer-term to support Gemfields’ aim of becoming the premier supplier of rough coloured gemstones to the downstream markets, the present income accruing to Gemfields from Traded Material remains immaterial in the context of Gemfields’ own production. The Company will continue to refine and evolve the opportunities of selling rough from other sources of supply.

Gemfields’ next auction of (predominantly higher quality) rough emeralds is scheduled for March 2012. The results of the five higher quality rough emerald auctions held to date are summarised below:

<b>AUCTION RESULTS (HIGHER QUALITY)</b>	<b>JULY '09 AUCTION</b>	<b>NOVEMBER '09 AUCTION</b>	<b>JULY '10 AUCTION</b>	<b>DECEMBER '10 AUCTION</b>	<b>JULY '11 AUCTION</b>
Dates	20-24 Jul 2009	23-27 Nov 2009	19-23 Jul 2010	6-10 Dec 2010	11-15 Jul 2011
Location	London, UK	Johannesburg, SA	London, UK	Johannesburg, SA	Singapore
Type	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
Carats Sold	1.36 million	1.09 million	0.80 million	0.75 million	0.74 million
No. of companies placing bids	23	19	37	32	38
Average no. of bids per lot	10	13	18	16	16
No. of lots offered	27	19	27	19	25
No. of lots sold	26	14	24	18	18
Percentage of lots sold	96%	74%	89%	95%	72%
Percentage of lots sold by weight	99.8%	97.2%	94.2%	86%	69%
Percentage of lots sold by value	82%	76%	87%	99%	91%
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
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

Ian Harebottle, CEO of Gemfields, commented:

*"Gemfields is yet again delighted to announce robust sales from our most recent auction of rough emeralds from our Kagem emerald mine in Zambia. We are particularly pleased with the fact that today's results have once again beaten the previous record set in March's lower quality rough auction. The revenues of USD 42.6 million generated from our last two auctions have now exceeded the revenues from our entire prior financial year, demonstrating the continued rising demand for Gemfields' rough emeralds and beryl.*

*Our integrated approach combines industry-leading performance in three core areas: mining, consistency of gemstone quality and volumes of supply, and pioneering coloured gemstone marketing and promotion to both consumers and retailers alike. With each auction it becomes increasingly clear that our team and our industry partners are making significant progress in delivering on our vision of ensuring that coloured gemstones take their place alongside diamonds and other luxury goods"*

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