

Gemfields plc

("Gemfields" or the "Company")

Singapore Emerald Auction

10 June 2013

In its quarterly market update of 14 May 2013, Gemfields plc (AIM: GEM) advised that the next auction of higher quality rough emerald and beryl from the Kagem emerald mine was scheduled to take place in Singapore from 10-14 June 2013.

Gemfields today advises that the auction has been put on hold pending clarification from the Zambian Ministry of Mines, Energy and Water Development (the "Ministry") of proposed restrictions on certain forms of emerald exports.

At a press conference in Lusaka on Friday 5 April 2013, Yamfwa Mukanga, the Minister of Mines, Energy and Water Development addressed members of the media and distributed a press statement seemingly restraining the Kagem emerald mine (and other producers) from auctioning emeralds outside of Zambia. Kagem is 75% owned by Gemfields, with the other 25% belonging to the Government of the Republic of Zambia.

Gemfields is actively corresponding with the Ministry and hopes that solutions supporting the continued growth of Kagem and the wider Zambian emerald sector will be reached as soon as possible.

Ian Harebottle, CEO of Gemfields, commented:

"While there is presently no law in Zambia that prohibits the export of emeralds for auction purposes, we naturally wish to ensure that we work collaboratively with the Government of the Republic of Zambia, who are our fellow-shareholders in the world-class Kagem emerald mine. Figures recently released by the Zambian Revenue Authority show that Kagem pays approximately 80% of the gemstone sector's aggregate royalties and that, last year alone, Kagem paid about 40% of the total cumulative gemstone royalties collected in the seven-and-a-half years since 2006. As such, there is a strong incentive for all parties to ensure that the remarkable growth Kagem has enjoyed in recent years – and the benefits that this growth has provided for the wider Zambian gemstone sector - are not impeded."

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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 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 twelve auctions which have generated revenues totalling USD 175.8 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.