

Gemfields plc

("Gemfields" or the "Company")

Results - Lusaka Rough Emerald and Beryl Auction

11 August 2014

Gemfields plc (AIM: GEM) is pleased to announce the results of its auction of predominantly lower quality rough emerald and beryl held in Lusaka, Zambia from 5 to 8 August 2014.

Highlights

- Auction revenues of USD 15.5 million, the second highest achieved at any lower quality auction;
- Excluding the sale of 1.5 tonnes of low grade beryl, the average realised price was USD 3.61 per carat, a new record for lower quality auctions (no beryl was sold in the prior three lower quality auctions);
- Overall realised price of USD 1.34 per carat including the sale of low grade beryl;
- Of the 12.1 million carats offered, 11.6 million carats were sold;
- Sixteen Kagem auctions held since July 2009 have generated USD 276 million in total revenues.

A total of 21 companies attended and bid in what was the first Gemfields auction during the current financial year (ending 30 June 2015). The auction was the fifth to be held in Lusaka since April 2013.

The auction saw 12.1 million carats of emerald and beryl extracted from Kagem placed on offer, with 17 of the 21 lots offered being sold, generating auction revenues of USD 15.5 million.

The auction realised an overall average value of USD 1.34 per carat including the sale of 1.5 tonnes of low grade beryl, or an average unit price of USD 3.61 per carat for comparable lower quality auctions and a 9% increase on the USD 3.32 per carat achieved at the most recent lower quality auction in November 2013.

The Company's sixteen auctions of emeralds and beryl mined at Kagem since July 2009 have generated USD 276 million in aggregate revenues.

The results of the seven lower quality Kagem auctions held to date are summarised in the two tables below:

AUCTION RESULTS (LOWER QUALITY) Table 1 of 2	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/carats	USD 0.77/carats	USD 1.12/carats	USD 2.61/carats	USD 2.42/carats	USD 3.32/carats

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

AUCTION RESULTS (LOWER QUALITY) Table 2 of 2	AUG '14 AUCTION
Dates	5-8 Aug 2014
Location	Lusaka, Zambia
Type	Lower Quality
Carats offered	12.11 million
Carats Sold	11.58 million
No. of companies placing bids	21
Average no. of bids per lot	7
No. of lots offered	21
No. of lots sold	17
Percentage of lots sold	81%
Percentage of lots sold by weight	96%
Percentage of lots sold by value	88%
Total sales realised at auction	USD 15.5 million
Average per carat sales value	USD 1.34/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 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/carat	USD 5.10/carat	USD 9.35/carat	USD 26.20/carat	USD 42.71/carat	USD 38.25/carat

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

Gemfields' next auction of emeralds is presently scheduled to take place before 31 December 2014.

Ian Harebottle, CEO of Gemfields, commented:

"Gemfields has now completed five successful auctions in Zambia, all during the last seventeen months. We were pleased to see a significant quantity of our low grade beryl sold at this auction, something we have not seen at auction since November 2011. Excluding the effect of this material, we set a new record unit price of USD 3.61 per carat for our lower quality auctions, underlining yet again how robust demand remains for our Zambian emeralds.

The role played by Zambian emeralds in the international market has never been more important and we remain delighted that they are the emerald of choice for so many. We will seek to further expand their reach with our determined marketing initiatives and by seeking a wider client base internationally, including our new audience of rough ruby buying clients."

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Notes to Editors:

Gemfields plc is the world's leading supplier of responsibly sourced coloured gemstones and is listed on the AIM market of the London Stock Exchange (ticker: GEM), where it is a constituent of the AIM50 index.

In July 2009, Gemfields commenced a formal auction programme for Zambian emeralds mined at Kagem. To date, the Company has held sixteen auctions of emerald and beryl produced from Kagem which have generated revenues totalling USD 276 million. The Company has also held 2 traded emerald auctions (of gems not obtained directly from the Company's own mining operations) which generated revenues of USD 22.0 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. In June 2014, Gemfields held its first auction for rough ruby and corundum produced from Montepuez ruby deposit which generated revenues of USD 33.5 million. In addition, Gemfields holds a 50% interest in the Kariba amethyst mine in Zambia.

Gemfields acquired the Fabergé brand in January 2013 to create 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.