

Gemfields Plc

("Gemfields" or the "Company")

Results of Jaipur Rough Emerald and Beryl Auction

17 March 2011

Gemfields Plc (Ticker "GEM") is pleased to announce the results of the auction of (predominantly lower quality) rough emerald and beryl held in Jaipur, India from 10-14 March 2011.

Highlights

- Second highest total auction revenues to date of USD 9.9 million
- A 148% increase in quality-for-quality per carat prices since March 2010
- Total year-to-date revenue from rough emerald auctions now stands at USD 37 million
- Six auctions held since July 2009 have generated revenues totalling USD 55.7 million
- Auction results underscore rising global demand for Gemfields' ethical Zambian emeralds
- Gemfields' next auction of (predominantly higher quality) rough emeralds is scheduled for July 2011

Gemfields held an auction of (predominantly lower quality) rough emeralds in Jaipur, India from 10 to 14 March 2011. Forty eight companies were invited to attend the auction, with forty four of these placing bids for the material on offer. The auction saw 16.83 million carats placed on offer, with 12.98 million carats being sold and generating record lower quality auction sales of USD 9.9 million.

When compared with the lower quality auction held in March 2010, per carat prices showed a 148% increase from USD 0.31 per carat to USD 0.77 per carat. This provides a clear indication of robust growth in both prices and demand for emeralds in general, and Gemfields ethical emeralds in particular, across all regions and all sectors.

The three auctions held in the current financial year have yielded USD 37 million in aggregate revenues, while all six auctions held since July 2009 have generated USD 55.7 million in combined revenue.

The results of the two lower quality rough emerald and beryl auctions held to date are summarised below:

AUCTION RESULTS (LOWER QUALITY)	MARCH '10 AUCTION	MARCH '11 AUCTION
Dates	11-15 March 2010	10-14 March 2011
Location	Jaipur, India	Jaipur, India
Type	Lower Quality	Lower Quality
Carats offered	28.90 million	16.83 million
Carats Sold	22.80 million	12.98 million
No. of companies placing bids	25	44
Average no. of bids per lot	8	14
No. of lots offered	56	35
No. of lots sold	49	34
Percentage of lots sold	88%	97%
Percentage of lots sold by weight	78.90%	77%
Percentage of lots sold by value	89%	99%
Total sales realised at auction	USD 7.2 million	USD 9.9 million
Average per carat sales value	USD 0.31 per carat	USD 0.77 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.

The Jaipur auction was also used as a platform to test the levels of demand for rough amethyst derived from Gemfields' 50% owned Kariba amethyst mine in Zambia. The results of the test were encouraging and Gemfields expects to sell significant quantities of rough amethyst into this market.

Ian Harebottle, CEO of Gemfields, commented:

"Gemfields is naturally very pleased with the results in Jaipur. The overwhelming interest in attending Gemfields' auctions provides sound evidence of an increase in demand for our products across all grades and all markets. Moreover, it is encouraging to see the enthusiasm and positive response of our downstream clients and partners in furthering Gemfields' vision of bringing to market a consistent and reliable supply of rough emeralds from a responsibly and ethically operated source. Our marketing programmes are working for our clients, and they're clearly working for us."

Gemfields' next auction of (predominantly higher quality) rough emeralds is scheduled for July 2011. The results of the four higher quality rough emerald auctions held to date are summarised below:

AUCTION RESULTS (HIGHER QUALITY)	JULY '09 AUCTION	NOVEMBER '09 AUCTION	JULY '10 AUCTION	DECEMBER '10 AUCTION
Dates	20-24 July 2009	23-27 November 2009	19-23 July 2010	6-10 December 2010
Location	London, England	Johannesburg, SA	London, England	Johannesburg, SA
Type	Higher Quality	Higher Quality	Higher Quality	Higher Quality
Carats offered	1.36 million	1.12 million	0.85 million	0.87 million
Carats Sold	1.36 million	1.09 million	0.80 million	0.75 million
No. of companies placing bids	23	19	37	32
Average no. of bids per lot	10	13	18	16
No. of lots offered	27	19	27	19
No. of lots sold	26	14	24	18
Percentage of lots sold	96%	74%	89%	95%
Percentage of lots sold by weight	99.8%	97.2%	94.2%	86%
Percentage of lots sold by value	82%	76%	87%	99%
Total sales realised at auction	USD 5.9 million	USD 5.6 million	USD 7.5 million	USD 19.6 million
Average per carat sales value	USD 4.40 per carat	USD 5.10 per carat	USD 9.35 per carat	USD 26.20 per carat

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