

Gemfields plc

("Gemfields" or the "Company")

Results - Lusaka Rough Emerald and Beryl Auction

18 November 2013

Gemfields plc (AIM: GEM) is pleased to announce the results of its auction of predominantly lower quality rough emerald and beryl held in Lusaka from 11 to 15 November 2013.

Highlights

- Auction revenues of USD 16.4 million, a record for lower grade auctions;
- Average per carat price of USD 3.32 per carat, a 27% increase on the previous record achieved at lower grade auctions;
- Of the 5.6 million carats offered, 4.9 million carats were sold;
- Market conditions remain robust, yielding sold increases in quality-for-quality per carat prices;
- Fourteen auctions held since July 2009 have generated USD 224 million in total revenues; and
- Financial year-to-date auction revenues (including one auction of traded material) stand at USD 56.4 million, surpassing the all-sources revenue of USD 48.4 million achieved in the full financial year to 30 June 2013.

A total of 21 companies attended the auction held in Lusaka, with 20 companies placing at least one bid. This auction, the second of gems mined by Gemfields at the Kagem emerald mine in the current financial year (which ends 30 June 2014), was held in Lusaka, Zambia at the request of the Zambian Ministry of Mines, Energy and Water Development.

The auction saw 5.6 million carats of emerald and beryl extracted from the Kagem Mine in Zambia placed on offer, with 19 of the 21 lots offered being sold, generating record (lower grade) auction revenues of USD 16.4 million. The Company's fourteen auctions held since July 2009 have generated USD 224 million in aggregate revenues. In addition, the Company ran an auction of traded rough emeralds (emeralds obtained by Gemfields in the open market from various sources and excluding emerald or beryl mined, processed, graded and exported by, or belonging to, Kagem Mining Limited) in September 2013, yielding gross auction revenues of USD 8.5 million.

The most recent Lusaka auction yielded an overall average value of USD 3.32 per carat, a 27% increase on the previous highest unit value achieved at any auction of predominantly lower quality material. This auction did not include any of the lowest grade of beryl historically offered at auction (as advised in the Company's quarterly update to 30 September 2013, Kagem agreed a USD 3.5 million direct sale in respect of 11,286 kilograms of Kagem's lowest two grades of beryl).

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

AUCTION RESULTS (LOWER QUALITY)	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.

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 eight higher quality auctions held to date are summarised below:

AUCTION RESULTS (HIGHER QUALITY)	JUL '09 AUCTION	NOV '09 AUCTION	JUL '10 AUCTION	DEC '10 AUCTION	JUL '11 AUCTION	MAR '12 AUCTION	NOV '12 AUCTION	JUL '13 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	29 Oct - 2 Nov '12	15-19 Jul '13
Location	London, UK	Johannesburg, SA	London, UK	Johannesburg, SA	Singapore	Singapore	Singapore	Lusaka
Type	Higher Quality	Higher Quality	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	0.93 million	0.58 million
Carats Sold	1.36 million	1.09 million	0.80 million	0.75 million	0.74 million	0.69 million	0.90 million	0.58 million
No. of companies placing bids	23	19	37	32	38	29	35	36
Average no. of bids per lot	10	13	18	16	16	11	11	8
No. of lots offered	27	19	27	19	25	23	19	18
No. of lots sold	26	14	24	18	18	20	16	18
Percentage of lots sold	96%	74%	89%	95%	72%	87%	84%	100%
Percentage of lots sold by weight	99.8%	97%	94%	86%	69%	89%	98%	100%
Percentage of lots sold by value	82%	76%	87%	99%	91%	94%	90%	100%
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	USD 26.8 million	USD 31.5 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	USD 29.71/carat	USD 54.00/carat

Ian Harebottle, CEO of Gemfields, commented:

"Gemfields has now completed three successful auctions in Zambia, all during the last eight months. We have again set two records for auctions of predominantly lower-quality material – the highest total revenue and the highest average per carat price. We are delighted that this auction further demonstrates Lusaka to be a key hub on the international emerald auction circuit and, as always, we would like to thank the Zambian Government – our partners in Kagem - for their ongoing support and hospitality.

Taking into account the three auctions held thus far this financial year, being one auction of traded material and two of material mined at our Kagem mine, Gemfields' year-to-date auction revenues now stand at USD 56.4 million. This compares very favourably with the all-sources revenue of USD 48.4 million achieved in the full financial year to 30 June 2013.

Our emerald efforts remain focussed on supporting the sustained increase in demand for Zambian emeralds as the globally favoured emeralds of choice, underpinned by our operational investments and international marketing efforts. The key is for Zambia to increasingly be recognised as a competitive, reliable and trusted source of ethically produced gemstones".

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Notes to Editors:

Gemfields plc is the leading coloured 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.

In July 2009 Gemfields commenced a formal auction programme for Zambian emeralds mined at Kagem. To date, the Company has held 14 auctions which have generated revenues totalling USD 224 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.

Gemfields acquired the Fabergé brand in January 2013 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.