

Gemfields Plc

("Gemfields" or "the Company")

Grant of Share Options

20 August 2014

Gemfields (AIM: GEM) announces that it awarded a total of 5,500,000 options over ordinary shares of 1 pence each in the Company (the "Options") to certain Directors and employees. These Options were granted under the Stock Option Scheme 2010 approved by the AGM on 21 December 2010.

The Options were approved by the Board on 6 December 2013 and the exercise price was agreed at this date, however the Options were not issued to Directors and employees until 18 August 2014.

The Options are exercisable one-third equally over the period of 3 years and have tenure of 10 years from the date of grant. The Options have an exercise price of 34.21 pence per share, being the volume-weighted average traded price per ordinary share in the capital of the Company during the 30 days ending on 1 January 2014.

The Directors that have been awarded Options are as follows:

Director	Position	Number of Options granted	Total options held following the grant	Number of Ordinary Shares held	Shares held as a % of Current Issued Share Capital
Ian Timothy Harebottle	CEO	550,000	4,350,000	200,000	0.04
Devidas Shetty	COO	400,000	3,150,000	100,000	0.02

In aggregate, the 950,000 Options granted to the Directors represent approximately 0.18 per cent of the current issued share capital of the Company.

In addition a further 4,550,000 Options, also at the exercise price of 34.21 pence per share, were awarded to employees.

Following the grant of the Options to both Directors and employees, the total number of ordinary shares outstanding under option arrangements will be 23,039,998 ordinary shares representing 4.3 per cent of the Company's issued share capital, of which the number of options held by Directors is 9,700,000 ordinary shares representing 1.8 per cent of the Company's issued share capital.

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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.