

## Gemfields plc

("Gemfields" or "the Company")

### Jaipur Auction Results

23 April 2015

Gemfields plc (AIM: GEM) is pleased to announce the results of its auction of predominantly lower quality rough ruby and corundum extracted by Montepuez Ruby Mining Limitada (in which Gemfields has a 75% interest) from the Montepuez ruby deposit in Mozambique. The auction was held in Jaipur, India from 17 to 22 April 2015.

### Highlights

- Auction revenues of USD 16.1 million;
- Average realised price of USD 4.03 per carat;
- 3.99 million carats sold (99%) out of the total of 4.03 million carats offered; and
- The three Montepuez auctions held since June 2014 have generated USD 92.9 million in aggregate revenues.

### Montepuez Ruby Auction

Approximately 40 companies attended Gemfields' third auction of rough rubies from the Montepuez ruby deposit in Mozambique. The first Montepuez ruby auction, held in June 2014, was composed of a mix of both higher and lower quality material, while the second auction, held in December 2014, was composed of predominantly higher quality material. This week's Jaipur auction was composed of predominantly lower quality material. The differences in auction mixes are a direct result of the Company's desire to build its understanding of the downstream market in order to optimise its long-term ruby auction format. Auction attendees were drawn from Austria, China, India, Israel, Sri Lanka, Thailand, the United Kingdom and the USA.

The auction results of the three Montepuez auctions held to date are summarised below:

AUCTION RESULTS (RUBY & CORUNDUM)	JUNE '14 AUCTION	DECEMBER '14 AUCTION	APRIL '15 AUCTION
Dates	12-17 June 2014	3-8 December 2014	17-22 April 2015
Location	Singapore	Singapore	Jaipur, India
Type	Rough Ruby & Corundum (Higher and Lower Quality)	Rough Ruby (Higher Quality)	Rough Ruby & Corundum (Lower Quality)
Carats offered	2.03 million	85,491	4.03 million
Carats Sold	1.82 million	62,936	3.99 million
No. of lots offered	62	41	66
No. of lots sold	57	35	58
Percentage of lots sold	92%	85%	88%
Percentage of lots sold by weight	90%	74%	99%
Percentage of lots sold by market value	91%	97%	93%
Total sales realised at auction	USD 33.5 million	USD 43.3 million	USD 16.1 million
Average per carat sales value	USD 18.43/carats	USD 688.64/carats	USD 4.03/carats

Of the 66 lots offered at the auction, 51 lots were offered on an untreated basis while 15 lots were offered as having been heat-treated (as was the case in the June 2014 auction where Gemfields offered both untreated and treated material). All of the treated lots offered used industry-accepted treatment techniques and were offered and sold on a fully disclosed basis.

The proceeds of this auction will be repatriated to Montepuez Ruby Mining Limitada in Mozambique, in which Gemfields owns 75%, and with royalties due to the Government of Mozambique being paid on the full sales price achieved at the auction.

At 31 March 2015, when Gemfields last provided a quarterly production update, total ruby and corundum extracted from the Montepuez deposit since the commencement of bulk sampling stood at 16.1 million carats (and at a unit cost of approximately USD 1.90 per carat).

This week's Jaipur auction was also used to concurrently offer traded rough emeralds from Zambia and Brazil sourced by Gemfields on the open market (i.e. not obtained directly from the Company's own mining operations). This material generated USD 1.6 million of gross revenues over and above the auction revenues from ruby and corundum.

### **Next Auction**

Gemfields' 21 auctions of rough gems produced at Kagem and Montepuez have now generated USD 418 million in total revenues.

The next Gemfields auction will be of predominantly higher quality ruby and corundum from Montepuez and is presently expected to take place before 30 June 2015.

Ian Harebottle, CEO of Gemfields, commented:

*"This week's Jaipur auction has witnessed the next step in the evolution of the Montepuez ruby deposit's deep-seated and positive impact on the global ruby market. Customer response in the Jaipur market, where this was the first ever offering of such a considerable volume of non-domestic rough ruby has been overwhelming, as can be seen in the excellent auction results.*

*The five auctions we have hosted so far this financial year, three of emeralds and two of rubies, have yielded aggregate revenues of USD 124.4 million, a superb performance by Gemfields with credit due to every member of our devoted and hard-working team worldwide.*

*We again extend our gratitude to Mwiriti, our 25% partners in the Montepuez deposit, and to the Mozambican government, with whom we continue to work to address the illegal ingress across Mozambique's borders of foreign citizens seeking to profit from the Montepuez deposit. "*

### **ENQUIRIES:**

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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 the Kagem emerald mine. To date, the Company has held 18 auctions of emerald and beryl produced at Kagem and which have generated revenues totalling USD 325 million. The Company has also held 2 standalone auctions of traded rough emeralds (of gemstones not obtained directly from the Company's own mining operations) which generated revenues of USD 22 million.

The Company also owns a 75% stake in the highly prospective Montepuez ruby deposit in Mozambique as well as licences in Madagascar including ruby, emerald and sapphire deposits. In April 2015, Gemfields held its third auction of rough ruby and corundum produced at the Montepuez ruby deposit, generating revenues of USD 16.1 million. The three ruby and corundum auctions have generated USD 92.9 million in aggregate revenues.

In addition, Gemfields holds a 50% interest in the Kariba amethyst mine in Zambia. In February 2015 Gemfields held its second auction of rough amethyst extracted from Kariba amethyst mine, generating revenues of USD 0.45 million.

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.