

## **Gemfields plc**

("Gemfields" or "the Company")

### **Results – Singapore Rough Emerald and Amethyst Auction**

7 September 2015

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Gemfields plc (AIM: GEM) is pleased to announce the results of its auction of predominantly higher quality rough emerald extracted by Kagem Mining Ltd (which is 75% owned by Gemfields and 25% by the Government of the Republic of Zambia) in Zambia.

The auction also included higher quality amethyst from Kariba Minerals Ltd in which Gemfields has a 50% interest, with the balance also belonging to the Government of the Republic of Zambia.

The auction was held in Singapore from 31 August to 4 September 2015 and the proceeds of these auctions will be fully repatriated to Kagem Mining Ltd and Kariba Minerals Ltd in Zambia respectively, and with all royalties due to the Government of the Republic of Zambia being paid on the full sales price achieved at the auction.

#### **Highlights**

- Emerald auction revenues of USD 34.7 million
  - The average realised price was USD 58.42 per carat, the third highest figure on record;
  - Of the 0.60 million carats offered for sale, 0.59 million carats were sold (98%); and
  - 19 Kagem auctions held since July 2009 have generated USD 360 million in total revenues.
- Amethyst auction revenues of USD 0.44 million
  - The average realised price was 4.32 US cents per carat (an increase of 144% compared to the 1.77 US cents per carat realised in the February 2015 auction); and
  - Of the 11.0 million carats offered for sale, 10.1 million carats were sold (92% by weight).

#### **Emerald Auction**

A total of 37 companies placed bids in the first Gemfields auction of the current financial year. The auction followed 7 successive emerald auctions held in Lusaka, and marked the return of Zambian emerald auctions to the broader international market.

The auction saw 0.6 million carats of higher quality emerald extracted from Kagem placed on offer, with 18 of the 19 lots offered being sold, generating auction revenues of USD 34.7 million. The auction realised an overall average value of USD 58.42 per carat, the third highest figure on record.

The Company's 19 auctions of emeralds and beryl mined at Kagem since July 2009 have generated USD 360 million in total revenues.

The results of the five most recent higher quality Kagem auctions are summarised in the table below. Additional historic information regarding higher quality auctions can be found in the 'Further Information' section of this announcement.

AUCTION RESULTS (HIGHER QUALITY) (5 most recent auctions)	NOV '12 AUCTION	JUL '13 AUCTION	FEB '14 AUCTION	NOV '14 AUCTION	SEP '15 AUCTION
Dates	29 Oct - 2 Nov 2012	15-19 Jul 2013	21-25 Feb 2014	13-17 Nov 2014	31 Aug-4 Sep 2015
Location	Singapore	Lusaka	Lusaka	Lusaka	Singapore
Type	Higher Quality	Higher Quality	Higher Quality	Higher Quality	Higher Quality
Carats offered	0.93 million	0.58 million	0.84 million	0.60 million	0.60 million
Carats Sold	0.90 million	0.58 million	0.62 million	0.53 million	0.59 million
No. of companies placing bids	35	36	34	34	37
Average no. of bids per lot	11	8	13	12	11
No. of lots offered	19	18	17	17	19
No. of lots sold	16	18	15	16	18
Percentage of lots sold	84%	100%	88%	94%	95%
Percentage of lots sold by weight	98%	100%	74%	89%	98%
Percentage of lots sold by value	90%	100%	86%	89%	88%
Total sales realised at auction	USD 26.8 million	USD 31.5 million	USD 36.5 million	USD 34.9 million	USD 34.7 million
Average per carat sales value	USD 29.71/carats	USD 54.00/carats	USD 59.31/carats	USD 65.89/carats	USD 58.42/carats

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 variations in mined production and market demand. Each auction naturally contains a degree of variation in overall quality composition, which is typically reflected in the average per carat sales value.

### Amethyst Auction

This auction of rough amethyst from Kariba Minerals Ltd (in which Gemfields has a 50% interest) was the first to be held in Singapore. Gemfields has hosted only two prior rough amethyst auctions which took place in Jaipur in March 2011 and in Lusaka in February 2015.

The Singapore amethyst auction saw 11.0 million carats of higher quality amethyst extracted from Kariba placed on offer, with 11 of the 16 lots offered being sold, generating auction revenues of USD 0.44 million from the 10.1 million carats sold. The amethyst auction realised an overall average value of 4.32 US cents per carat (an increase of 144% compared to the 1.77 US cents per carat realised in the February 2015 auction).

### Next Auction

Gemfields' next auction is presently expected to take place in November 2015, comprised predominantly of lower quality emerald and beryl.

Ian Harebottle, CEO of Gemfields, commented:

*"Our Singapore auction has delivered another very strong result for our Kagem emeralds. With 98% of the emeralds sold, it is very pleasing indeed to see Zambian emeralds continuing to enjoy such firm demand, aided by our return to running an auction in Singapore. Despite severely depressed global commodity prices, well-documented difficulties in the diamond sector and recent volatility across international financial markets, emerald prices remain as robust as ever. The counter-cyclicality often associated with precious gemstones, and their reputation as a store of value in turbulent times, have shone through. In addition it is pleasing to see the prices received for amethyst increase markedly since the last auction in February. I'm delighted that these results underscore the intended vision and trajectory for coloured gemstones, and for Gemfields.*

*Kagem is a partnership between the Zambian Government and Gemfields, and we'd like to thank the Government for their vision and support in internationalising the Zambian emerald industry and for supporting an 'international auction circuit' that will see Lusaka remain one of the key hubs for hosting emerald auctions in order to ensure we reach an expanded client base. "*

## 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.

Gemfields is the 75% owner and operator of the Kagem emerald mine in Zambia, the world's single largest producing emerald mine. In July 2009, Gemfields commenced a formal auction programme for Zambian emeralds mined at the Kagem emerald mine. To date, the Company has held 19 auctions of rough emerald and beryl produced at Kagem and which have generated revenues totalling USD 360 million. The Company has also held 3 traded rough emerald auctions (of gemstones not obtained directly from the Company's own mining operations) which generated revenues of USD 23.6 million.

Gemfields owns a 75% stake in the highly prospective Montepuez ruby deposit in Mozambique. The four rough ruby and corundum auctions held since June 2014 have generated USD 122 million in aggregate revenues.

Gemfields holds a 50% interest in the Kariba amethyst mine in Zambia. In September 2015 Gemfields held its third auction of rough amethyst extracted from Kariba amethyst mine, generating revenues of USD 0.44 million. The Company also has controlling interests in prospecting licenses in Madagascar, Sri Lanka and Ethiopia.

Gemfields also owns 100% of Fabergé brand. Fabergé provides Gemfields with direct control over a high-end luxury goods platform and a global brand with exceptional heritage.

## Further Information:

The results of earlier higher quality Kagem auctions are summarised below:

AUCTION RESULTS (HIGHER QUALITY) (Earlier Auctions)	JUL '09 AUCTION	NOV '09 AUCTION	JUL '10 AUCTION	DEC '10 AUCTION	JUL '11 AUCTION	MAR '12 AUCTION
Dates	20-24 Jul 2009	23-27 Nov 2009	19-23 Jul 2010	6-10 Dec 2010	11-15 Jul 2011	19-23 Mar 2012
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%	79%	98%	77%	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