

Gemfields plc

(“Gemfields” or the “Company”)

Results – Jaipur Auction of Traded Rough Emeralds

10 October 2013

Gemfields plc (AIM: GEM) announces the results of its auction of traded rough emeralds held in Jaipur from 26 to 30 September 2013. The emeralds sold at the auction (predominantly of higher quality) comprised emeralds obtained by Gemfields in the open market from various sources, some of which have previously been offered at prior international auctions alongside the Company’s directly mined goods. As such, the material sold at the auction did not include emerald or beryl mined, processed, graded and exported by, or belonging to, Kagem Mining Limited (“Kagem”), which is 75% owned by Gemfields (with the remaining 25% owned by the Government of the Republic of Zambia).

Highlights

- Gross auction revenues of USD 8.5 million;
- Average realised price of USD 58 per carat, the highest average price achieved at any Gemfields auction;
- Of the 29 lots offered, 17 were sold, representing approximately 96% of the market value; and
- Upbeat market conditions underpinned robust prices for the higher quality emeralds offered.

A total of 42 companies attended the auction, with 38 of them placing at least one bid. The auction saw 417,032 carats of traded emeralds placed on offer, with 145,952 carats (representing by far the bulk of the value offered) being sold, and generating gross auction revenues of USD 8.5 million.

Gemfields first offered traded emeralds at its auction held in Singapore in July 2011. The traded emeralds were offered alongside the material mined, processed, graded and exported by, or belonging to Kagem. Traded emeralds and beryl were also offered at subsequent Gemfields auctions held in November 2011 (Jaipur), March 2012 (Singapore) and June 2012 (Jaipur).

The Jaipur auction yielded an overall average value of USD 58 per carat, the highest unit value achieved at any Gemfields auction to date. The auction results are summarised below:

AUCTION RESULTS (TRADED EMERALDS)	SEPT '13 AUCTION
Dates	26-30 September 2013
Location	Jaipur, India
Type	Traded Rough Emeralds
Carats offered	0.417 million
Carats Sold	0.146 million
No. of companies placing bids	38
Average no. of bids per lot	11
No. of lots offered	29
No. of lots sold	17
Percentage of lots sold	59%
Percentage of lots sold by weight	35%
Percentage of lots sold by value	96%
Total gross sales realised at auction	USD 8.5 million
Average per carat sales value	USD 58/carat

The specific auction mix and the quality characteristics of the lots offered at the traded auction can vary quite considerably from those auctions made up solely of lots derived from Kagem’s mined production. As a result, direct comparisons between the auctions cannot be drawn.

Gemfields’ next auction of mined rough emeralds is scheduled to take place in Lusaka, Zambia in November 2013. The auction, of predominantly lower quality emerald and beryl, will be made up only of material mined, processed, graded and owned by Kagem (and will therefore not include any traded material).

Ian Harebottle, CEO of Gemfields, commented:

"Gemfields has believed in and been committed to the benefits of consolidation and formalisation within the coloured gemstone industry for some time now and we believe that the results achieved at this auction fully support our vision and the advantages derived from being able to deliver gems from various sources to our valued customers in a transparent and well proven framework. Favourable market conditions and particularly strong demand from our customers have again yielded excellent results and record per carat prices. Having offered traded emeralds and beryl alongside Kagem's regular production at our auctions as far back as July 2011, we have now completed our first standalone auction of traded material. The material has been obtained over a period of time from multiple sources, and I'm pleased to say that we have generated a solid profit. This outcome therefore demonstrates the value and capability of the international auction platform we have developed during the last five years and we look forward to expanding our trading activities accordingly".

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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 its Zambian emeralds. To date, the Company has held 13 auctions which have generated revenues totalling US\$207.2 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.