

GEMFIELDS

MEDIA RELEASE

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GEMFIELDS MAKES A RECORD US\$31.6 MILLION FROM LATEST EMERALD AUCTION

London - Gemfields plc (AIM: "GEM") is pleased to announce the results of the auction of (predominantly higher quality) rough emeralds held in Singapore from 11-15 July 2011.

Highlights

- Record auction revenues of USD 31.6 million
- A 63% increase in quality-for-quality per carat prices since December 2010
- Seven auctions held since July 2009 have generated revenues totalling USD 87.5 million
- Auction results underscore robust global demand for Gemfields' ethical Zambian emeralds
- Next auction of (predominantly higher quality) rough emeralds is scheduled for November 2011

Gemfields held an auction of (predominantly higher quality) rough emeralds in Singapore from 11 to 15 July 2011. Thirty-nine companies were invited to attend the auction, with thirty-eight of these placing bids for the material on offer. The auction saw 1.07 million carats mined by Gemfields placed on offer, with 0.74 million carats being sold and generating record auction sales of USD 31.6 million.

When compared with the higher quality auction held in December 2010, per carat prices showed a 63% increase from USD 26.2 per carat to USD 42.7 per carat. This provides a clear indication of robust growth in both prices and demand for emeralds in general, and Gemfields ethical emeralds in particular.

This was the first auction of the current financial year. The seven auctions held since July 2009 generated USD 87.5 million in aggregate revenues.

Gemfields' next auction of (predominantly higher quality) rough emeralds is scheduled for November 2011. The results of the five higher quality rough emerald auctions held to date are summarised below:

AUCTION RESULTS (HIGHER QUALITY)	JULY '09 AUCTION	NOVEMBER '09 AUCTION	JULY '10 AUCTION	DECEMBER '10 AUCTION	JULY '11 AUCTION
Dates	20-24 Jul 2009	23-27 Nov 2009	19-23 Jul 2010	6-10 Dec 2010	11-15 Jul 2011
Location	London, UK	Johannesburg, SA	London, UK	Johannesburg, SA	Singapore
Type	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
Carats Sold	1.36 million	1.09 million	0.80 million	0.75 million	0.74 million
No. of companies placing bids	23	19	37	32	38
Average no. of bids per lot	10	13	18	16	16
No. of lots offered	27	19	27	19	25
No. of lots sold	26	14	24	18	18
Percentage of lots sold	96%	74%	89%	95%	72%
Percentage of lots sold by weight	99.8%	97.2%	94.2%	86%	69%
Percentage of lots sold by value	82%	76%	87%	99%	91%
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
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

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The Singapore auction was also used as a platform to test the potential levels of demand for rough emerald and beryl made available from other sources of supply (i.e. not certified as having been mined by Gemfields). None of this material is included in the data presented above. The trial comprised of other rough emerald and beryl from Brazil and also from Zambia. The results of this trial were not of themselves material and the Company will continue to refine and evolve the opportunities of selling rough emeralds from other sources of supply.

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

AUCTION RESULTS (LOWER QUALITY)	MARCH '10 AUCTION	MARCH '11 AUCTION
Dates	11-15 March 2010	10-14 March 2011
Location	Jaipur, India	Jaipur, India
Type	Lower Quality	Lower Quality
Carats offered	28.90 million	16.83 million
Carats Sold	22.80 million	12.98 million
No. of companies placing bids	25	44
Average no. of bids per lot	8	14
No. of lots offered	56	35
No. of lots sold	49	34
Percentage of lots sold	88%	97%
Percentage of lots sold by weight	78.9%	77%
Percentage of lots sold by value	89%	99%
Total sales realised at auction	USD 7.2 million	USD 9.9 million
Average per carat sales value	USD 0.31 per carat	USD 0.77 per carat

Note: a larger volume of material was placed on offer in March 2010 following Gemfields extensive inventory building exercise during 2008 and 2009.

Ian Harebottle, CEO of Gemfields, commented:

"Gemfields is delighted to announce record sales from its most recent auction. The results are testament to the Company's ongoing focus on marketing to both consumers and retailers, and the quality and consistency of the emeralds produced at Kagem. Our team and industry partners are working harder than ever to deliver on our vision of ensuring that coloured gemstones are recognised and appreciated alongside diamonds and other luxury goods. Gemfields continues to deliver on the promises we've made to our clients, consumers and shareholders."

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