

# GEMFIELDS

## GEMFIELDS GROUP LIMITED

(Incorporated in Guernsey)

(Guernsey registration Number: 47656)

(South African external company registration number 2009/012636/10)

Share code on JSE:GML / AIM:GEM / BSX:GML.BH

ISIN: GG00BGOKTL52      LEI: 21380017GAVXTCYS5R31

("Gemfields" or the "Company")

**22 April 2020**

## **COVID-19 Update: MRM & Corporate**

The Company hereby provides a further update on mitigating actions taken in response to the COVID-19 pandemic.

The impact of COVID-19 continues to evolve rapidly and it is not yet possible to predict the full extent of the impact on the Company's operations and revenues. The wellbeing of Gemfields' employees and host communities continues to remain the Company's overriding priority and to guide actions undertaken by the Company to navigate the months ahead. The Company has implemented the following additional actions since the previous announcement relating to COVID-19 and dated 30 March 2020:

### **Montepuez Ruby Mining, Mozambique**

All but critical operations at the Montepuez Ruby Mine ("MRM") in Mozambique have been suspended as of 22 April 2020. Security, maintenance and other essential services will continue in order to ensure that MRM is well placed to resume normal operations as soon as it is safe and practicable to do so.

Given recent episodes of illegal mining activity on the concession, attacks on MRM's security teams and the recent release of prisoners in the town of Montepuez, including approximately 150 illegal miners, as part of the government's COVID-19 response relating to overcrowded prisons, MRM has introduced additional security measures, increased the size of the security team and deployed patrol dogs. In addition, trained members of its security service providers have been equipped with firearms in accordance with the Voluntary Principles on Security and Human Rights.

The Group has suspended all expansionary capital expenditure at MRM for the foreseeable future. Planned expenditure relating to the Resettlement Action Plan (RAP) village will continue in keeping with the goal of achieving occupation by July 2020.

As at 22 April 2020, MRM has access to USD 30 million of undrawn overdraft facilities.

### **UK & Corporate**

On 16 April 2020, the UK Government extended the UK lockdown period for three weeks to 7 May 2020 in order to mitigate the spread of COVID-19. The Company has implemented measures to progressively reduce costs to the extent that the UK lockdown extends. With effect from 1 May 2020, and for so long as the UK lockdown measures remain in place, all UK staff members, including the Board of Directors of the Company, will switch to a four day working week and receive a 20% reduction in salary. Should the UK lockdown restrictions remain in effect after 31 May 2020, a three-day working week with a further 20% reduction in salary may become necessary.

At 17 April 2020, the Gemfields Group had cash balances of approximately USD 63.2 million, a net cash position of approximately USD 33.2 million and undrawn overdraft facilities in Mozambique of USD 30 million.

Given the considerable level of uncertainty and to further preserve cash, the Company's share buyback programme has been suspended until further notice.

Gemfields' current shares in issue as at 22 April 2020 is 1,168,756,030 ordinary shares. As such, this figure of 1,168,756,030 can be used by shareholders as the denominator for the calculations by which they can determine their percentage shareholding in the Company and whether or not they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

Further information on Gemfields Group Limited can be found at [www.gemfieldsgroup.com](http://www.gemfieldsgroup.com)

To join our press release mailing list, click here: [gemfields@gemfields.com](mailto:gemfields@gemfields.com)

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#### **Additional information on Gemfields**

Gemfields is a world-leading supplier of responsibly sourced coloured gemstones. Gemfields is the operator and 75% owner of both the Kagem emerald mine in Zambia (believed to be the world's single largest producing emerald mine) and the Montepuez ruby mine in Mozambique (one of the most significant recently discovered ruby deposits in the world). In addition, Gemfields also holds controlling interests in various other gemstone mining and prospecting licenses in Zambia, Mozambique, Ethiopia and Madagascar.

Gemfields' outright ownership of Fabergé - an iconic and prestigious brand of exceptional heritage - enables Gemfields to optimise positioning, perception and consumer awareness of coloured gemstones, advancing the wider group's "mine and market" vision.

Gemfields has developed a proprietary grading system and a pioneering auction and trading platform to provide a consistent supply of coloured gemstones to downstream markets, a key component of Gemfields' business model and has played an important role in the growth of the global coloured gemstone sector.