

# GEMFIELDS

## GEMFIELDS GROUP LIMITED

(formerly Pallinghurst Resources Limited)

(Incorporated in Guernsey)

(Guernsey registration Number: 47656)

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Share code on the BSX: GML.BH ISIN: GG00BG0KTL52

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("Gemfields" or the "Company")

## Singapore Emerald Auction Results

Gemfields is pleased to announce the results of an auction of higher quality rough emeralds held in Singapore from 14 – 17 November 2018. The emeralds were extracted by Kagem Mining Ltd in Zambia ("Kagem", which is 75% owned by Gemfields and 25% by the Industrial Development Corporation of Zambia). The proceeds of this auction will be fully repatriated to Kagem in Zambia, with all royalties due to the Government of the Republic of Zambia being paid on the full sales prices achieved at the auction.

### Highlights – Emerald Auction

- Auction revenues of USD 28.4 million
- Average price of USD 68.03 per carat
- 74% of the carats offered were sold
- The 30 Kagem auctions held since July 2009 have generated USD 556 million in total revenues

The auction saw 40 companies placing bids and generating total revenues of USD 28.4 million with an overall average value of USD 68.03 per carat. Improved liquidity in the trade customers in 74% of the offered carats being sold, versus 56% in the last auction of higher quality emeralds held in Lusaka in May 2018. Of the number of lots offered, 77% were sold (versus 59% in the May 2018 auction).

Gemfields' 30 auctions of emeralds and beryl mined at Kagem since July 2009 have generated USD 556 million in total revenues.

The results of the five most recent higher quality Kagem auctions are summarised in the table below:

AUCTION RESULTS (HIGHER QUALITY)	Apr '16 AUCTION	Feb '17 AUCTION	Oct '17 AUCTION	May '18 AUCTION	Nov '18 AUCTION
Dates	30 Mar-3 Apr 2016	13-17 Feb 2017	2-5 Oct 2017	15-18 May 2018	14-17 Nov 2018
Location	Lusaka	Lusaka	Lusaka	Lusaka	Singapore
Type	Higher Quality	Higher Quality	Higher Quality	Higher Quality	Higher Quality
Carats offered	0.56 million	0.42 million	0.32 million	0.31 million	0.57 million
Carats sold	0.47 million	0.35 million	0.32 million	0.17 million	0.42 million
No. of companies placing bids	33	33	36	31	40
Average no. of bids per lot	9	7	11	8	8
No. of lots offered	18	19	18	17	26
No. of lots sold	16	17	18	10	20
Percentage of lots sold	89%	89%	100%	59%	77%
Percentage of lots sold by weight	84%	84%	100%	56%	74%
Total sales realised at auction	USD 33.1 million	USD 22.3 million	USD 21.5 million	USD 10.3 million	USD 28.4 million
Average per carat sales value	USD 70.68/carat	USD 63.61/carat	USD 66.21/carat	USD 59.55/carat	USD 68.03/carat

The specific auction mix and 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. Therefore the results of each auction are not always directly comparable.

Adrian Banks, Gemfields' Managing Director of Product & Sales, commented:

*"The results of what was our first Singapore emerald auction in more than three years clearly reflect the emerging recovery among our trade customers after a protracted period of difficulty. The marked increases in the percentage of carats and number of lots sold, combined with the uptick in per carat price, bode well for further improvement in 2019.*

*'Inkalamu', the extraordinary 5,655 carat 'Lion emerald' which captured international media attention following its discovery at Kagem on 2 October 2018, was purchased at the auction by Rajkumar and Rishabh Tongya of Dia-Color, specialists in high-value gems. Gemfields, in furthering its support of wildlife conservation, is donating 10% of the proceeds of 'Inkalamu' to its conservation partners the [Zambian Carnivore Programme \(www.zambiancarnivores.org\)](http://www.zambiancarnivores.org) and the Niassa Carnivore Project ([www.niassalion.org](http://www.niassalion.org)). The Inkalamu emerald will deploy fully customised Gübelin 'Provenance Proof' nano-tagging, allowing the "descendants" of Inkalamu (or Inkalamu's own 'pride of lions') to be traced directly to not only the mine of origin, but the gem of origin.*

*As always, we thank both our customers and the Zambian government for their support, and give credit to every member of the loyal and hard-working teams at Gemfields and the Kagem emerald mine."*

#### **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.

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

For any press enquiries please contact us on [investor.relations@gemfields.com](mailto:investor.relations@gemfields.com).

Guernsey  
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