

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“EGM”) of shareholders of Gemfields Group Limited (the “Company”) will be held at 1 Cathedral Piazza, London, SW1E 5BP, United Kingdom on 4 December 2019 at 10.00 a.m. (British Time) or 12.00 midday (South African time).

Shareholders are advised that meeting participants (including proxies) may be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the EGM. Forms of identification that will be accepted include a driver’s licence or passport.

DATES AND VOTING

The board of directors of the Company (the “**Board**” or “**Directors**”) has determined the following:

- Those shareholders registered on the Company’s shareholders’ register on Friday 25 October 2019 will receive notice of the EGM.
- Those shareholders registered on the Company’s shareholders’ register at 10 a.m. (British Time) on 2 December 2019 will be eligible to participate and vote.
- Voting will be by way of a poll and every shareholder, present in person or represented by proxy and entitled to vote, shall be entitled to one vote for every share held.

PROXIES

A shareholder is entitled to attend the EGM in person and vote or to appoint a proxy (or proxies) to attend and to speak and, on a poll, vote instead of him/her. A proxy need not be a shareholder. A shareholder may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him/her. The appointment of a proxy will not prevent a shareholder from subsequently attending the EGM and voting in person.

To be effective, a Form of Proxy, and any power of attorney or other authority under which it is signed (or a certified or notarised copy of any such authority) must be completed, signed and lodged, not less than three business days before the time for holding the meeting or adjourned meeting. Below are the addresses for the Company’s BSX and JSE registrar, to whom Forms of Proxy and accompanying documents should be sent, depending on which exchange a shareholder’s shares are traded on. Separate Forms of Proxy for the BSX and JSE are included at the end of this notice and will be made available on the Company’s website at www.gemfieldsgroup.com.

BSX registrar

Computershare Investor Services (Guernsey) Limited
The Pavilions,
Bridgewater Road,
Bristol,
BS99 6ZY
United Kingdom

JSE registrar

Computershare Investor Services (Pty) Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
2196
South Africa

Forms of Proxy submitted for the original meeting will remain valid for any adjourned meeting. If you do not intend to attend the EGM please complete and return the Form of Proxy as soon as possible.

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SPECIAL RESOLUTIONS

For each of the special resolutions to be passed, it must be supported by more than 75% of the votes cast.

Special resolution 1: General authority to acquire (repurchase) ordinary shares

Resolved that the Company and/or any subsidiary is hereby authorised, by way of a general authority, from time to time, to acquire ordinary shares in the share capital of the Company from any person in accordance with the requirements of Article 4 of the Company's Articles of Incorporation, the Companies (Guernsey) Act 2008 and the JSE Listings Requirements, from time to time, provided that:

- any such acquisition of ordinary shares shall be effected through the order book operated by the JSE trading system, subject to the approval of the JSE, where necessary, and done without any prior understanding or arrangement with the counterparty (reported trades are prohibited);
- this general authority shall be valid until the earlier of the Company's next annual general meeting or the variation or revocation of such general authority by special resolution at any subsequent general meeting of the Company, provided that it shall not extend beyond 15 months from the date of passing of this special resolution;
- an announcement containing full details of such acquisitions will be published as soon as the Company or any of its subsidiaries shall have acquired ordinary shares constituting, on a cumulative basis, not less than 3% of the number of ordinary shares in issue as at the date of this approval and for each subsequent acquisition constituting, on a cumulative basis, not less than 3% in aggregate of the number of ordinary shares in issue as at the date of this approval, in compliance with paragraph 11.27 of the JSE Listings Requirements;
- acquisitions of ordinary shares in aggregate in any one financial year may not exceed 20% of the Company's issued ordinary share capital, as at 4 December 2019;
- ordinary shares may not be acquired at a price greater than 10% above the weighted average of the market value at which such ordinary shares are traded on the JSE as determined over the five business days immediately preceding the date of acquisition of such ordinary shares;
- the Company has been given authority by its Articles of Incorporation;
- a resolution is passed by the board of directors that it has authorised the acquisition, that the Company and its subsidiaries will pass the solvency and liquidity test immediately after the acquisition and that from the time that the test is done, there are no material changes to the financial position of the Company or the group;
- at any point in time, the Company and/or its subsidiaries may only appoint one agent to effect any such acquisition;
- the Company and/or its subsidiaries may not acquire any ordinary shares during a prohibited period, as defined in the JSE Listings Requirements, unless a repurchase programme is in place, where dates and quantities of the shares to be traded during the prohibited period are fixed and full details of the programme have been submitted to the JSE in writing, prior to the commencement of the prohibited period;
- no voting rights attached to the ordinary shares acquired by the Company's subsidiaries may be exercised while the shares are held by them and they remain subsidiaries of the Company.

The reasons and effects of this special resolution are fully described in the Explanatory Memorandum below.

Special resolution 2: General authority to cancel shares

Resolved that the Company and/or any subsidiary is hereby authorised in accordance with Article 12.1 of the Articles of Incorporation of the Company, by way of a general authority, to cancel any shares in the Company (including ordinary shares and/or treasury shares) which the Company holds in itself. This authority shall not extend beyond the next Annual General Meeting or 15 (fifteen) months from the date of the EGM, whichever date is the earliest.

The reasons and effects of this special resolution are fully described in the Explanatory Memorandum below.

By order of the Board

Computershare Investor Services (Guernsey) Limited

The Pavilions,
Bridgewater Road,
Bristol, BS99 6ZY
United Kingdom

5 November 2019

EGM EXPLANATORY MEMORANDUM

Special resolution – general authority to acquire (repurchase) and cancel ordinary shares

The reason for and effect of special resolution number 1 is to grant the Company and its subsidiaries a general authority to facilitate the acquisition by the Company and/or its subsidiaries of the Company's ordinary shares, which general authority shall be valid until the earlier of the next annual general meeting of the Company or the variation or revocation of such general authority by special resolution at any subsequent general meeting of the Company, provided that this general authority shall not extend beyond 15 (fifteen) months from the date of the passing of this special resolution.

Any decision by the Directors, after considering the effect of an acquisition of up to 20% of the Company's issued ordinary shares, to use the general authority to acquire shares of the Company will be taken with regard to the prevailing market conditions and other factors and provided that, for the period of 12 (twelve) months after such acquisition, the Directors are of the opinion that:

- the Company and the Group will be able to pay their debts in the ordinary course of business;
- recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements which comply with the Companies (Guernsey) Act, 2008, the assets of the Company and the Group will exceed the liabilities of the Company and the Group;
- the share capital and reserves of the Company and the Group will be adequate for the purposes of the business of the Company and the Group; and
- the working capital of the Company and the Group will be adequate for the purposes of the business of the Company and the Group.

Since the completion of the Company's prior share buy-back programme, 27 September 2019, the 22-business day volume weighted average price per Gemfields share has been ZAR 1.63. However, the Gemfields share price has now softened with the closing share price on 28 October 2019 being ZAR 1.55 per share with shares changing hands at a 52-week low of ZAR 1.13 per share on 18 October 2019. In light of this, the Company continues to believe that the recent trading range of the Company's share price undervalues the Company and signifies an opportunity to purchase shares at a discount to intrinsic value.

The Company is of the view that repurchasing ordinary shares and de-listing these from trading is in the best interest of the shareholders of the Company as a whole. As such, the Company is seeking shareholders' approval at the EGM to increase the number of shares that may be repurchased during the 2019 calendar year and thereafter up to the date of the 2020 annual general meeting of the Company, with any such repurchases being funded using part or all of the Company's remaining distribution pool.

The JSE Listings Requirements require, in terms of paragraph 11.26, the following disclosures in relation to a special resolution, which appear on the Company's website at www.gemfieldsgroup.com:

- Major shareholders – refer to the Directors' Report of the 2018 Annual Report which appears on the Company's website at www.gemfieldsgroup.com;
- Directors' interests in securities – refer to the Directors' Report of the 2018 Annual Report which appears on the Company's website at www.gemfieldsgroup.com; and
- Share capital of the Company – There are 1,267,450,245 ordinary shares of USD 0.00001 each and 2 management shares of USD 1 each.

There have been no changes since posting on the website.

Directors' Responsibility Statement

The Directors, whose names appear in the Directors' Report of the 2018 Annual Report, which appears on the Company's website at www.gemfieldsgroup.com, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statements false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this special resolution contains all information required by law and the JSE Listings Requirements.

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Material changes

Other than the facts and developments reported on in terms hereof, there have been no material changes in the financial or trading position of the Company and its subsidiaries since the date of signature of the latest Audit Report and up to the date of the notice of EGM.

Statement of the Board's Intention

The Directors consider that such a general authority in relation to the ordinary shares should be put in place so that, during the year, it will provide the Directors with flexibility to effect a repurchase of the Company's shares, should it be in the interests of the Company to do so whilst the general authority is in power. The Directors are of the opinion that it would be in the best interests of the Company to extend such general authority and thereby allow the Company or any of its subsidiaries to be in a position to acquire the shares issued by the Company through the order book of the JSE, should the market conditions, tax dispensation and price justify such an action.