

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 7 apply throughout this Circular, including this cover page.

ACTION REQUIRED BY SHAREHOLDERS:

1. This entire Circular is important and should be read with particular attention to the section entitled “Action required by Shareholders”, commencing on page 3.
2. If you are in any doubt as to what action to take in relation to this Circular, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.
3. If you have disposed of all your Shares in Gemfields, please forward this Circular and the attached Form of Proxy (either JSE or AIM) to the purchaser of such Shares or to the CSDP, Broker, banker or other agent through whom the disposal was effected.

Gemfields does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of Shares to notify such beneficial owner of the matters dealt with in this Circular.

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
ISIN: GG00BG0KTL52 | LEI 21380017GAVXTCYS5R3I
 (“Gemfields” or “the Company”)

CIRCULAR TO GEMFIELDS’ SHAREHOLDERS

relating to a:

- proposed share buy-back of up to USD10 million (“the General Repurchase”)

and incorporating a:

- notice of convening the Extraordinary General Meeting; and
- form of proxy (either JSE or AIM) for the purpose of voting at the Extraordinary General Meeting.

Sponsor to Gemfields



Guernsey Legal Advisor



Nominated Adviser and
UK Joint Broker



Date of issue: Monday, 31 October 2022

This Circular is available in English only. Copies may be obtained during normal business hours from the registered office of Gemfields, whose address is set out in the “Corporate Information” section of this Circular, from Monday, 31 October 2022 until Wednesday, 30 November 2022 (both days inclusive). A copy of this Circular will also be available on Gemfields’ website www.gemfieldsgroup.com.

CORPORATE INFORMATION

Directors

Martin Tolcher^{*#} (*Chairman*)

Sean Gilbertson (*CEO*)

David Lovett (*CFO*)

Lumkile Mondli^{*#} (*Lead Independent Non-executive Director*)

Kwape Mmela^{*#}

Carel Malan^{*#}

Mary Reilly^{*#}

Patrick Sacco[#]

^{*} Independent

[#] Non-executive

Date and place of incorporation

4 September 2007

Guernsey

Registered office

Gemfields Group Limited

PO Box 186

Royal Chambers

St Julian's Avenue

St Peter Port

Guernsey

GY1 4HP

Channel Islands

Sponsor

Investec Bank Limited

(Registration number 1969/004763/06)

100 Grayston Drive

Sandton, 2196

(PO Box 785700, Sandton, 2196)

Transfer Secretaries

Computershare Investor Services (Pty) Limited

Registration number (2004/003647/07)

Rosebank Towers

15 Biermann Avenue

Rosebank, 2196

South Africa

(Private Bag X9000, Saxonwold, 2132)

Nominated Adviser and UK Joint Broker

finnCap Limited

One Bartholomew Close

London

EC1A 7BL

Guernsey Legal Advisers

Mourant Ozannes (Guernsey) LLP

Royal Chambers

St Julian's Avenue

St Peter Port

Guernsey

GY1 4HP

IMPORTANT LEGAL NOTES

FORWARD-LOOKING STATEMENTS

This Circular contains statements about Gemfields that are or may be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Gemfields cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industries in which Gemfields operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions made by Gemfields based on publicly available documents of Gemfields, which estimates and assumptions, although Gemfields believes them to be reasonable are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to Gemfields, or not currently considered material by Gemfields.

Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Gemfields not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement is not known. Gemfields has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by the law or the JSE Listings Requirements.

FOREIGN SHAREHOLDERS

This Circular has been prepared for the purposes of complying with the laws of South Africa and Guernsey and is subject to applicable laws, including the Companies Law, the Exchange Control Regulations, the AIM Rules for Companies and the JSE Listings Requirements. The information disclosed in this Circular may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws of any jurisdiction outside of South Africa and Guernsey, or the requirements of any exchange other than the JSE and AIM.

The release, publication or distribution of this Circular in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities or other laws of any such jurisdiction.

The Circular and any accompanying documentation are not intended to, and do not constitute, or form part of, an offer to sell or a solicitation of any vote or approval in any jurisdiction in which it is unlawful to make such an offer or solicitation, or in which such offer or solicitation would require Gemfields to comply with disproportionately onerous filing and/or other disproportionately onerous regulatory obligations. In those circumstances, or otherwise if the distribution of this Circular and accompanying documentation in jurisdictions outside of South Africa is restricted or prohibited by the laws of such jurisdiction, this Circular and any accompanying documentation are deemed to have been sent for information purposes only and should not be copied or redistributed.

Shareholders who are not resident in South Africa as contemplated in the Exchange Control Regulations must satisfy themselves as to the full observance of the laws of any applicable jurisdiction concerning the receipt of any monies pursuant to a repurchase of their Gemfields Shares in terms of the General Repurchase, including any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such other jurisdictions, and are required to advise Gemfields of all such filing or regulatory obligations with which Gemfields may be required to comply in such jurisdictions in relation to the repurchase of their Gemfields Shares under the General Repurchase Authority, if any. Gemfields and its board of directors and advisors accept no responsibility for the failure by a Shareholder to inform itself about, or to observe, any applicable legal requirements in any relevant jurisdiction, nor for any failure by Gemfields to observe the requirements of any jurisdiction.

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ACTION REQUIRED BY SHAREHOLDERS

This Circular is important and requires your immediate attention.

Any Shareholder who is in doubt as to their position, including, without limitation, their tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

Please take careful note of the following provisions regarding the action required by Shareholders. If you are in any doubt as to what actions to take, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.

If you have disposed of all of your Shares in Gemfields, please forward this Circular and the attached Form of Proxy to the purchaser of such Shares or to the CSDP, Broker, banker, attorney or other agent through whom the disposal was effected.

The Extraordinary General Meeting will be held on Wednesday, 30 November 2022 at 14:00 (GMT) or 16:00 (South African Standard Time) at Gemfields' office at 1 Cathedral Piazza, London, SW1E 5BP at which Extraordinary General Meeting Shareholders will be requested to consider and, if deemed fit, to pass, with or without modification, the resolutions set out in the Notice of Extraordinary General Meeting attached to this Circular.

PROXIES

A Shareholder is entitled to attend the Extraordinary General Meeting 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. The appointment of a proxy will not prevent a Shareholder from subsequently attending and voting himself at the Extraordinary General Meeting.

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 two Business Days before the time for holding the meeting, this being 14:00 (GMT), or 16:00 (South African Standard Time) on Monday, 28 November 2022. Below are the addresses for the Company's AIM and JSE registrars, 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 AIM and the JSE are included at the end of this notice and will be made available on the Company's website at www.gemfieldsgroup.com.

AIM 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

Postal address (proxies should be sent to this address)

Computershare Investor Services (Pty) Limited

Private Bag X9000
Saxonwold
2132
South Africa
Email: proxy@computershare.co.za

Forms of Proxy submitted for the original meeting will remain valid for any adjourned meeting. **If you do not intend to attend the Extraordinary General Meeting and wish to vote by proxy, please complete and return the Form of Proxy as soon as possible.**

Gemfields Group Limited Shareholders on the SA Register who have dematerialised their Shares must NOT complete the Form of Proxy but instead must inform their CSDP or Broker of their intention to attend the Extraordinary General Meeting and request their CSDP or Broker to issue them with the necessary authorisation to attend the Extraordinary General Meeting in person or provide their CSDP or Broker with their voting instructions should they not wish to attend the Extraordinary General Meeting in person. These instructions must be provided to the CSDP or Broker by the cut-off time and date advised by the CSDP or Broker for instructions of this nature. If your CSDP or Broker does not obtain instructions from you, they will be obliged to act in terms of the mandate furnished to them by you.

ADDITIONAL GUIDANCE FOR SHAREHOLDERS ON THE AIM REGISTER INTENDING TO VOTE ELECTRONICALLY ON CREST

1. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Extraordinary General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual (www.euroclear.com/CREST). The message must be transmitted so as to be received by the issuer's agent (ID 3RA50).
2. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
3. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 34 of the Uncertificated Securities (Guernsey) Regulations, 2009. Please refer to the CREST Manual at www.euroclear.com/CREST. Appendix.

ADDITIONAL GUIDANCE FOR SHAREHOLDERS ON THE SOUTH AFRICAN REGISTER

DEMATERIALISED SHAREHOLDERS WHO ARE NOT OWN-NAME DEMATERIALISED SHAREHOLDERS

1. Voting at the Extraordinary General Meeting

Your Broker or CSDP should contact you to ascertain how you wish the voting rights attaching to the Shares in respect of which you are a beneficial interest holder to be voted at the Extraordinary General Meeting and should thereafter cast the vote in accordance with your instructions.

If your Broker or CSDP has not contacted you, it is advisable for you to contact your Broker or CSDP and furnish it with your voting instructions.

If your Broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your Broker or CSDP.

You must not complete the attached Form of Proxy.

2. Attendance and representation at the Extraordinary General Meeting

In accordance with the custody agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to:

- (a) personally attend, speak and vote at the Extraordinary General Meeting; or
- (b) send a proxy to represent your interests at the Extraordinary General Meeting.

Your CSDP or Broker should then issue the necessary letter of representation to you for you or your proxy to attend, speak and vote at the Extraordinary General Meeting.

CERTIFICATED SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WHO ARE OWN-NAME DEMATERIALISED SHAREHOLDERS

3. Voting and attendance at the Extraordinary General Meeting

You may attend the Extraordinary General Meeting in person and may vote at the Extraordinary General Meeting.

Alternatively, you may appoint a proxy to represent you at the Extraordinary General Meeting by completing the attached Form of Proxy (JSE not AIM) in accordance with the instructions contained therein. It is requested that the Form of Proxy (duly completed) be returned to the Transfer Secretaries and is received by them preferably by no later than **16:00 (South African Standard Time), being 14:00 (GMT) on Monday, 28 November 2022.**

Hand deliveries to:

Computershare Investor Services (Pty) Limited
Registration number (2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
South Africa

Postal deliveries to:

Computershare Investor Services (Pty) Limited
Private Bag X9000
Saxonwold, 2132
South Africa

IDENTIFICATION OF SHAREHOLDERS

Shareholders are entitled to attend, speak and vote at the Extraordinary General Meeting. Before any person may attend or participate in the Extraordinary General Meeting, that person must present reasonably satisfactory identification and the person presiding at the Extraordinary General Meeting must be reasonably satisfied that the right of the person to participate and vote and the Extraordinary General Meeting, either as a Shareholder, or as a proxy for a Shareholder, has been reasonably verified. Acceptable forms of identification include certified copies of a valid identity document, driver's licence or passport.

SALIENT DATES AND TIMES

Salient dates relating to the Extraordinary General Meeting

2022

| | |
|---|------------------------|
| Record date for Shareholders to be recorded in the Register in order to receive this Circular | Friday, 21 October |
| Circular incorporating the Notice of Extraordinary General Meeting and Form of Proxy (for JSE and AIM), distributed to Shareholders | Monday, 31 October |
| Announcement of distribution of Circular and notice convening the Extraordinary General Meeting released on SENS/RIS | Monday, 31 October |
| Last day to trade Shares in order to be recorded in the Register to be eligible to vote at the Extraordinary General Meeting (see note 2 below) | Tuesday, 22 November |
| Record date for a Shareholder to be registered in the Register in order to be eligible to attend and participate in the Extraordinary General Meeting and to vote thereat, by close of trade | Friday, 25 November |
| Forms of Proxy (for JSE and AIM) in respect of the Extraordinary General Meeting to be lodged at the Transfer Secretaries, by 14:00 (GMT) or 16:00 (South Africa Standard Time) | Monday, 28 November |
| Extraordinary General Meeting held at 14:00 (GMT) or 16:00 (South Africa Standard Time) | Wednesday, 30 November |
| Results of the Extraordinary General Meeting published on SENS/RIS | Wednesday, 30 November |

Notes:

1. The above dates and times are subject to amendment at the discretion of Gemfields. Any such amendment will be released on SENS and RIS, to the extent required.
2. Shareholders are referred to page 3 of this Circular for the information on the action required to be taken by them.
3. Shares may not be dematerialised or rematerialised between Wednesday, 23 November 2022 and Friday, 25 November 2022, both days inclusive.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates otherwise, reference to the singular shall include the plural and vice versa, words denoting one gender include the others, words and expressions denoting natural persons include juristic persons and associations of persons and the words and expressions in the first column have the meanings stated opposite them in the second column.

| | |
|---|---|
| “AGM” | Annual General Meeting which is scheduled to be held in the months of June or July 2023; |
| “AIM” | A market operated by the London Stock Exchange; |
| “Articles of Incorporation” | the Articles of Incorporation of Gemfields; |
| “Board” or “Directors” | the directors of Gemfields from time to time, comprising, as at the Last Practicable Date, those persons whose names appear in the “ <i>Corporate Information</i> ” section of this Circular; |
| “Broker” | any person registered as a “broking member (equities)” in accordance with the provisions of the Financial Markets Act; |
| “Business Day” | any day, other than a Saturday, Sunday or public holiday in South Africa or Guernsey; |
| “Certificated Shareholders” | Shareholders who hold Certificated Shares; |
| “Certificated Shares” | Shares which have not yet been Dematerialised, title to which is represented by a share certificate or other Document of Title; |
| “Circular” | this bound document dated Monday, 31 October 2022 to Shareholders, including all annexures hereto; |
| “Companies Law” | the Companies (Guernsey) Law, 2008, as amended; |
| “CSDP” | a central securities depository participant registered in terms of the Financial Markets Act with whom a beneficial holder of shares holds a Dematerialised share account; |
| “Dematerialise” | the process by which securities held by Certificated Shareholders are converted or held in an electronic form as uncertificated securities and recorded in a sub-register of security holders maintained by a CSDP or Broker; |
| “Dematerialised Shareholders” | those Shareholders who hold Dematerialised Shares; |
| “Dematerialised Shares” | shares which have been Dematerialised and incorporated into the Strate system and which are no longer evidenced by certificates or other physical Documents of Title; |
| “Documents of Title” | share certificates, certified transfer deeds, balance receipts or any other documents of title to Certificated Shares acceptable to Gemfields; |
| “Extraordinary General Meeting or ‘EGM’” | the extraordinary general meeting of Shareholders to be held at 14:00 (GMT), or at 16:00 (South African Standard Time) at Gemfields’ offices, at 1 Cathedral Piazza, London, SW1E 5BP, on Wednesday, 30 November 2022, convened in terms of the Notice of Extraordinary General Meeting enclosed and forming part of this Circular, together with any reconvened extraordinary general meeting held as a result of the adjournment or postponement of that general meeting; |
| “Financial Markets Act” | the Financial Markets Act, 2012 (Act No. 19 of 2012), as amended; |
| “finnCap” | finnCap Ltd, Nominated Adviser and UK Joint Broker to the Company; |
| “Form of Proxy” | for purposes of the Extraordinary General Meeting, the form of proxy (for either JSE or AIM); |

| | |
|--|--|
| “Gemfields” or the “Company” | Gemfields Group Limited (registration number 47656), a public company incorporated under the laws of Guernsey, the ordinary shares of which are listed on the JSE and AIM; |
| “General Repurchase” | subject to the provisions of the Companies Law, the JSE Listings Requirements and the AIM Rules for Companies and the Articles of Incorporation, the authorised general repurchase of Shares only to be effected on the JSE by Gemfields from time to time (but prior to the expiry of any such authority) in terms of the General Repurchase Authority; |
| “General Repurchase Authority” | the authority to be granted by the Shareholders to effect the General Repurchase, as contemplated in the resolutions to be voted on by the Shareholders at the Extraordinary General Meeting which are set out in the Notice of the Extraordinary General Meeting; |
| “Group” or “the Group” | the Company and all entities controlled by the Company (its subsidiaries) and its associates and joint ventures; |
| “JSE Listings Requirements” | the Listings Requirements of the JSE, as amended from time to time; |
| “JSE” | JSE Limited (registration number 2005/022939/06), a public company incorporated under the laws of South Africa and which is licensed as an exchange in terms of the Financial Markets Act; |
| “Last Practicable Date” | the last practicable date before finalisation of this Circular, which date was Friday, 21 October 2022; |
| “London Stock Exchange” | London Stock Exchange Group plc; |
| “Notice of Extraordinary General Meeting” | the notice of the Extraordinary General Meeting of Shareholders, forming part of this Circular; |
| “Ordinary Resolution” | a resolution adopted by Shareholders with the support of more than 50% (fifty percent) of the voting rights exercised on the resolution; |
| “Own-name Registration” or “Own name Dematerialised Shareholders” | Shareholders who hold Dematerialised Shares and are recorded by the CSDP on the sub-register kept by that CSDP in the name of such Shareholder; |
| “Register” | the securities register of Certificated Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised Shareholders maintained by the relevant CSDPs; |
| “RIS” | a regulatory information service as defined by the Listing Rules; |
| “SENS” | the Stock Exchange News Service of the JSE; |
| “Shareholder” | registered holders of Shares; |
| “Shares” | ordinary shares of USD0.00001 each in the issued share capital of Gemfields; |
| “Special Resolution” | a resolution adopted by Shareholders with the support of at least 75% (seventy five percent) of the voting rights exercised on the resolution; |
| “South Africa” | the Republic of South Africa; |
| “Strate” | Strate Proprietary Limited (registration number 1998/022242/07), a private company incorporated under the laws of South Africa, being a licensed central securities depository in terms of section 1 of the Financial Markets Act and the entity that manages the electronic custody, clearing and settlement environment for all share transactions concluded on the JSE and off-market, and in terms of which transactions in securities are settled and transfers of ownership in securities are recorded electronically; and |
| “Transfer Secretaries” | Computershare Investor Services Proprietary Limited (registration number 2004/003647/07) a private company registered and incorporated with limited liability according to the laws of South Africa and the transfer secretaries of Gemfields. |

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
ISIN: GG00BG0KTL52 | LEI 21380017GAVXTCYS5R3I
("Gemfields" or "the Company")

Directors:

Martin Tolcher*[#] (Chairman)
Sean Gilbertson (CEO)
David Lovett (CFO)
Lumkile Mondli*[#] (Lead Independent Non-executive Director)
Kwape Mmela*[#]
Carel Malan*[#]
Mary Reilly*[#]
Patrick Sacco[#]

* Independent
Non-executive

CIRCULAR TO GEMFIELDS' SHAREHOLDERS

1. INTRODUCTION AND PURPOSE

Shareholders are referred to the results of annual general meeting announcement released on SENS/RIS on 29 June 2022, which stated that Gemfields did not obtain the requisite majority votes from Shareholders for the General Repurchase Authority to acquire Gemfields ordinary shares in the share capital of Gemfields.

As detailed in the reviewed interim results for the six months ended 30 June 2022, which were released on SENS/RIS on 29 September 2022, the Board approved a General Repurchase of up to USD10 million subject to shareholder approval. All ordinary shares repurchased by Gemfields on the JSE pursuant to the General Repurchase will be cancelled and delisted from trading, therefore reducing the total number of ordinary shares of the Company in issue.

The purpose of this Circular is to:

- 1.1 provide Shareholders with the relevant information relating to the General Repurchase so as to enable Shareholders to make an informed decision in respect of the resolutions set out in the Notice of Extraordinary General Meeting enclosed with this Circular; and
- 1.2 convene the Extraordinary General Meeting of Shareholders in order to consider and, if deemed fit, approve the resolutions authorising the General Repurchase Authority.

2. RATIONALE

- 2.1 The Board is of the view that the General Repurchase represents an opportunity to promote Gemfields' financial success and is a good use of surplus cash, on the basis that Gemfields is able to invest in itself at an attractive, low enterprise valuation and simultaneously enhance future earnings per share for the benefit of Shareholders.
- 2.2 The Board currently has the intention to repurchase Shares in terms of the General Repurchase Authority, if it is granted, but will continually review Gemfields position, having regard to prevailing circumstances and market conditions, in considering whether to effect any particular repurchase under the General Repurchase Authority.
- 2.3 The authority granted at the Extraordinary General Meeting in terms of the General Repurchase Authority will lapse on the date of the next AGM of Gemfields.

- 2.4 The General Repurchase Authority and any particular repurchase effected in terms thereof is and would be subject to the following:
- 2.4.1 The General Repurchase Authority will be valid from the date on which the Extraordinary General Meeting is held, assuming the Special Resolutions and Ordinary Resolution are duly adopted, until Gemfields next AGM. This time period during which the General Repurchase Authority will be valid, will not extend beyond 15 months from the date of adoption of the Special Resolution granting the General Repurchase Authority.
 - 2.4.2 Any repurchases of Shares undertaken in terms of the General Repurchase Authority will be effected through the order book operated by the JSE trading system, and will be done without prior understanding or arrangement between Gemfields and the relevant counterparty.
 - 2.4.3 At any point in time, Gemfields may only appoint one agent to effect the repurchases on its behalf.
 - 2.4.4 Gemfields (or any subsidiary) must be authorised thereto in its Articles of Incorporation.
 - 2.4.5 Any repurchases under the General Repurchase Authority may not be acquired at a price greater than 10% above the volume weighted average of the market value at which the Shares are traded on the JSE as determined over the five business days immediately preceding the date of the acquisition of such ordinary Shares.
 - 2.4.6 The number of Shares which may be acquired pursuant to the General Repurchase Authority may not exceed in the aggregate USD10 million, which is approximately equivalent to 5% of the number of ordinary shares of Gemfields in issue as at the date of this Circular. Further, Gemfields will ensure that any Shares repurchased under the General Repurchase Authority during each financial year will not, in aggregate, exceed 20% of the number of ordinary Shares in issue.
 - 2.4.7 Subject to any exemptions contained in the JSE Listings Requirements and or granted by the JSE, any repurchase of Shares shall not take place during a prohibited period (as defined in paragraph 3.67 of the Listings Requirements) unless a repurchase programme (where the dates and quantities of Shares to be repurchased during the prohibited period are fixed) is in place and has been submitted to the JSE in writing prior to the commencement of the prohibited period.
 - 2.4.8 Full compliance by the Company with the UK Market Abuse Regulation.
 - 2.4.9 After Gemfields has acquired Shares which constitute, on a cumulative basis, 3% of the number of shares in issue (at the time that the General Repurchase Authority is granted), Gemfields shall publish an announcement in compliance with 11.27 of the JSE Listings Requirements.
 - 2.4.10 No voting rights attached to the ordinary Shares acquired by Gemfields subsidiaries may be exercised while the Shares are held by them and they remain subsidiaries of the Company.
 - 2.4.11 Prior to any repurchase under the General Repurchase Authority, the Board shall consider and approve that Gemfields will pass the statutory solvency test within its meaning as defined at section 527 of the Companies Law immediately after the repurchase, and, since that test was considered, there have been no material changes to the financial position of the Group.

3. SHARE CAPITAL OF GEMFIELDS

- 3.1 The authorised and issued share capital of Gemfields as at the Last Practicable Date is as follows:

Issued

1 204 948 507 ordinary shares of USD00001 each

1 204 948 507

Treasury shares held

No ordinary shares of USD00001 each

–

Notes:

- * Gemfields is a Guernsey incorporated company and has no authorised share capital.

4. MAJOR SHAREHOLDERS

- 4.1 As at the Last Practicable Date and insofar as is known to Gemfields, Shareholders that directly or indirectly hold a beneficial interest in 5% or more of the Shares are set out below:

| Shareholder | % of issued share capital |
|--|---------------------------|
| Assore International Holdings Limited ¹ | 27.23 |
| Rational Expectations ² | 9.96 |
| Ophorst Va Marwijk Kooy Vermogensbeheer N.V | 8.39 |
| Oasis ³ | 7.87 |
| Fidelity International Limited | 5.82 |
| NinetyOne Group | 5.66 |
| Solway Finance Limited | 5.59 |

Notes:

1. Patrick Sacco is the managing director of, and holds a beneficial interest in Assore International Holdings which in turn holds 328 147 940 ordinary shares in Gemfields.
2. The Rational Expectations shareholding includes interests held by Rational Expectations and its related entities.
3. The Oasis shareholding includes interests held by Oasis Asset Management and Oasis Crescent Capital.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given on page 9 of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular and certify that:

- 5.1 to the best of their knowledge and belief, there are no other facts that have been omitted which would make any statement false or misleading;
- 5.2 they have made all reasonable enquiries to ascertain such facts; and
- 5.3 the Circular contains all information required by law, the JSE Listings Requirements and AIM Rules for Companies.

6. MATERIAL CHANGES

There have been no material changes in the financial position or trading position of Gemfields and its subsidiaries between 30 June 2022, being the end of its last financial period for which the reviewed interim results have been published, and the date of this Circular.

7. MATERIAL RISKS

Disclosure of material risks are incorporated by reference and can be accessed on page 88 of the annual report for the year ended 31 December 2021 available on <https://www.gemfieldsgroup.com/financial-archive/>.

8. STATEMENT BY THE DIRECTORS

The Board undertakes that it will not implement any repurchases of Shares in terms of the General Repurchase Authority unless, after considering the effect of the particular General Repurchase and having regard to the provisions of paragraph 11.26(d) of the JSE Listings Requirements:

- 8.1 Gemfields and the Group will be able to repay their debts in the ordinary course of business for a period of 12 months after the date of the Notice of Extraordinary General Meeting;
- 8.2 The assets of Gemfields and the Group, being fairly valued in accordance with International Financial Reporting Standards, will be in excess of the liabilities of Gemfields and the Group for a period of 12 months after the date of the Notice of the Extraordinary General Meeting;
- 8.3 The share capital and reserves of Gemfields and the Group will be adequate for the period of 12 months from the date of the Notice of the Extraordinary General Meeting;
- 8.4 The available working capital of Gemfields and the Group will be adequate to continue operations of Gemfields and the Group for a period of 12 months from the date of the Notice of the Extraordinary General Meeting;

- 8.5 A resolution by the Board has been adopted, in terms of which the Board has authorised the General Repurchase and has confirmed that Gemfields has passed the solvency and liquidity test; and
- 8.6 The Company confirms that since the test was performed, there have been no material changes to the financial position of Gemfields and the Group.

9. **OPINIONS AND RECOMMENDATIONS**

The Directors unanimously recommend that Shareholders vote in favour of the Special Resolutions and the Ordinary Resolution set out in the Notice of the Extraordinary General Meeting, which will enable Gemfields to undertake the General Repurchase. Each of the Directors who hold Shares intends to vote in favour of the Special Resolutions and the Ordinary Resolution set out in the Notice of the Extraordinary General Meeting.

10. **ADVISERS' CONSENTS**

Each of the advisers, whose name appears in the "Corporate Information" section of this Circular, has consented in writing (including by email) to act in the capacities stated and to the inclusion of its names and, where applicable, to the inclusion of its reports in this Circular in the form and context in which they appear and has not withdrawn its consent prior to the publication of this Circular.

11. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection by Shareholders at the registered office of the Company, from Monday, 31 October 2022 up to and including the date of the Extraordinary General Meeting during normal business hours:

- 11.1 The Circular and Notice of the Extraordinary General Meeting;
- 11.2 The Articles of Incorporation of Gemfields and each of its subsidiaries;
- 11.3 The written consents of each of the advisers referred to in paragraph 10;
- 11.4 Copies of the condensed annual results for the year ended 31 December 2021 and the reviewed Interim results for the six months ended 30 June 2022; and
- 11.5 Copies of the annual report and annual financial statements for the year ended 31 December 2021, incorporating the material risks.

By order of the Board

David Lovett (CFO) and Sean Gilbertson (CEO)

For and on behalf of the Board

31 October 2022

GEMFIELDS

GEMFIELDS GROUP LIMITED

Incorporated in Guernsey. Guernsey registration number: 47656
South African external company registration number 2009/012636/IO

Share code on JSE: GML / AIM: GEM
ISIN: GG00BG0KTL52 | LEI 21380017GAVXTCYS5R3I
("Gemfields" or "the Company")

NOTICE OF EXTRAORDINARY GENERAL MEETING

All terms defined in the Circular, to which this Notice of Extraordinary General Meeting is attached, shall bear the same meanings where used in this Notice of Extraordinary General Meeting.

The Board has decided to proceed with the Extraordinary General Meeting by way of a physical meeting. The Extraordinary General Meeting will accordingly not be accessible through electronic communication.

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting of Shareholders will be held at 1 Cathedral Piazza, London, SW1E 5BP on Wednesday, 30 November 2022 at 14:00 (GMT), or 16:00 (South African Standard Time), to consider and, if deemed fit, pass, with or without modification, the resolutions set out hereunder.

SPECIAL RESOLUTION NUMBER 1 – GENERAL AUTHORITY TO REPURCHASE SHARES

"IT IS RESOLVED AS A SPECIAL RESOLUTION that the Board of Gemfields is hereby authorised, by way of a General Repurchase Authority, to approve and implement the repurchase by Gemfields of its own Shares, from time to time, up to the maximum of USD10 million of its own shares in aggregate, upon such terms and conditions as the Board may from time to time determine in accordance with the Companies Law, the Articles of Incorporation, the JSE Listings Requirements and AIM Rules For Companies provided that:

- this General Repurchase Authority shall be valid only until Gemfields next AGM or for 15 months from the date of this resolution, whichever period is shorter;
- the Shares shall be repurchased through the order book operated by the JSE trading system and shall be done without any prior understanding or arrangement between Gemfields and or the relevant subsidiary or subsidiaries of Gemfields and the counterparty;
- the repurchase by Gemfields of its own securities in terms of this General Repurchase Authority from time to time shall not in aggregate exceed USD10 million of Gemfields issued ordinary share capital as at the date of the Extraordinary General Meeting and shall further not exceed 20% of Gemfields issued ordinary share capital in any one financial year, as at the beginning of the financial year, or in the case of acquisition by any of the Gemfields subsidiaries, USD10 million of such issued ordinary share capital in the aggregate is such Shares are to be held as treasury shares;
- in determining the price at which Shares are acquired by Gemfields in terms of this General Repurchase Authority, the repurchase of Shares may not be made at a price which is more than 10% above the volume weighted average traded price on the JSE of the Shares in question for the five business days immediately preceding the repurchase of such Shares by Gemfields or a subsidiary of Gemfields. The minimum price that the Shares may be repurchased under the General Repurchase Authority is the nominal price of the shares; and
- any Shares bought back may be held in treasury in accordance with the Companies Law or be subsequently cancelled by Gemfields at the discretion of the Board."

Reason for and effect of Special Resolution Number 1

The Board is of the view that the General Repurchase represents an opportunity to promote Gemfields' financial success and is a good use of surplus cash, on the basis that Gemfields is able to invest in itself at an attractive, low enterprise valuation and simultaneously enhance future earnings per Share for the benefit of Shareholders.

The reason for and the effect of Special Resolution Number 1 is to grant the Company with the General Repurchase Authority and to effect the General Repurchase as a result thereof.

For Special Resolution Number 1 to be approved, it must be supported by at least 75% of the voting rights exercised on such resolution by Shareholders.

SPECIAL RESOLUTION NUMBER 2 – GENERAL AUTHORITY TO CANCEL SHARES

“IT IS RESOLVED AS A SPECIAL RESOLUTION that the Company and/or any subsidiary is hereby authorised in accordance with Article 16.1 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 AGM or 15 (fifteen) months from the date of this Extraordinary General Meeting, whichever date is the earliest.”

Reason for and effect of Special Resolution Number 2

The Board is of the view that cancellation of any repurchased Shares is in the best interests of Shareholders for the reasons set out above.

For Special Resolution Number 2 to be approved, it must be supported by at least 75% of the voting rights exercised on such resolution by Shareholders.

ORDINARY RESOLUTION – AUTHORISING RESOLUTION

“IT IS RESOLVED AS AN ORDINARY RESOLUTION that, any of the Directors or the Company Secretary be and is hereby authorised to do all such things and sign all such documents as may be necessary to implement the resolutions set out above.”

The reason for and the effect of the Ordinary Resolution is to authorise the resolutions and to effect the signing of all documents necessary to implement the resolutions.

For the Ordinary Resolution to be approved, it must be supported by more than 50% of the voting rights exercised on such resolution by Shareholders.”

VOTING AND PROXIES

Please see the relevant sections of the Circular for further information on voting and the appointment of proxies.

By order of the Board

David Lovett (CFO) and Sean Gilbertson (CEO)

31 October 2022